THE MONTHLY MAGAZINE OF THE NATIONAL RESTAURANT ASSOCIATION VOL. 11 □ NO. 3 □ MARCH 1991

RESTAURANTS USA

We're glad you're here!

ASSOCIATION MEETINGS

SEMINARS

Seminars scheduled during the National Restaurant Association Restaurant, Hotel-Motel Show

Two-day seminar (5/18–5/19)
SERVSAFE/Applied Foodservice Sanitation
(Two-day, 16-hour certification course; deadline for registration is May 1.)

Saturday, 5/18
Full-day seminars
Banquet Management
Dining Room Management
Food Cost Management
Profitability
NEW! SERVSAFE/Responsible Alcohol Service

Half-day seminars
Kitchen Management
NEW! Legal Issues for Foodservice Operators
Promoting Your Restaurant
NEW! Service that Sells
The Labor Issue
NEW! Train-the-Trainer

Sunday, 5/19
Full-day seminars
Food Cost Management
Kitchen Management
Profitability
SERVSAFE/AFS Train-the-Trainer
Successful Buffet Management

Half-day seminars
Dining Room Management
Promoting Your Restaurant
Service that Sells
NEW! Stress Management
Theft Control

For further information on Show seminars, contact the Educational Foundation of the National Restaurant Association, 250 S. Wacker Drive, Suite 1400, Chicago, IL 60606, or call (800) 765-2122; in Illinois, call (312) 715-1010.

EXECUTIVE STUDY GROUP SERIES

Internal Audit
3/19–22 San Diego, CA

Tax Executives
4/2–5 Coronado, CA

Financial Officers
4/3–5 Coronado, CA

Quality Assurance
4/24–26 Monterey, CA

Management Information Systems
4/16–19 Santa Fe, NM

Environmental Affairs Officers
4/3–5 Boston, MA

Marketing Executives
5/15–18 Chicago, IL

MAECO
5/15–17 Chicago, IL

Foodservice Purchasing Managers
5/16–17 Chicago, IL

International Development Executives
6/12–14 San Francisco, CA

For more information on specific study groups, contact Philip Kralovec at (312) 853-2525

The Executive Study Groups present semi-annual professional development programs for executives who would like to meet with their industry peers to share ideas and concerns. Executives in each of the aforementioned disciplines from member foodservice companies are welcome and encouraged to participate.

Note: *A new study group focusing on international development is currently forming. Any persons interested in participating in this group are encouraged to contact Philip Kralovec.*

COURSES AND BOOKS AVAILABLE

Certification Courses
Applied Foodservice Sanitation (AFS)
Applied Foodservice Purchasing
Controlling Costs in Foodservice
Effective Foodservice Marketing
Foodservice: A Managerial Approach
NEW! Foodservice Management Accounting
Foodservice Supervision: Achieving Success Through People
Introduction to the Foodservice Industry/ Introduction to Foodservice Management
Legal Aspects of Foodservice Management
Management by Menu
NEW! Managing Foodservice Facilities and Equipment
Managing Quantity Food Operations
NEW! Nutrition for the Foodservice Manager
NEW! Principles of Professional Cooking

Self-Development Courses
Protecting Restaurant Profits: Managing Security
Effective Communication
Managing People
Restaurant Operations and Control
Restaurant Purchasing
Bar and Beverage Management
Helping People Grow
Service: Managing the Guest Experience

NATIONAL RESTAURANT ASSOCIATION

Chairman of the Board and President Michael E. Hurst
Vice President John R. [illegible]harson
Treasurer Rich[illegible]t E. Marriott

Executive Vice President [illegible] Fisher

Communications Committee Chairman Bruce C. Cotton
Vice Chairman Gretchen Mathers

Members
H. Jerome "Jerry" Berns
Jack C. Caddell, Sr.
Herman Cain
Joseph K. Fassler
Robert Flickinger
Joseph C. Gentile
Leon W. "Pete" Harman
G. "Jim" Hasslocher
Donald F. Karcher
William R. Lackey
C. Scott Langham
William H. Latham
Rolf Lewis
John C. Metz
M. Donald O'Neill
Michael E. Savvides

RESTAURANTS USA

VOL. 11 NO. 3 MARCH 1991

Senior Director Jeffrey R. Prince
Editor (on leave) Sylvia Rivchun-Somerville
Acting Editor Paul Moomaw
Managing Editor Melanie A. Crosby
Staff Contributors
Jennifer Batty
Elizabeth Gordon
Robert E. Harrington
Larry Hinelfarb
Philip Kralovec
Andrew McLauchlin
Nancy Michalski
Susan Mills
Anne Papa Curtis
B. Hudson Riehle
Denise Roach
Linda Way
Diane Welland
Art Direction
Magazine: Tom Bellucci
Covers: Richard Earle, Liz Dalgetty
Administrative Assistant Susan Kessler
Editorial Secretary Ronda Bowers
Word Processing Operator Agnes Harkins
Intern Zari Malsawma

Editorial office and association headquarters 1200 Seventeenth St., N.W. Washington DC 20036-3097 (202) 331-5900
Chicago office 150 N. Michigan Ave., Suite 2000 Chicago, IL 60601 (312) 853-2525

Restaurants USA (ISSN 0890-5584) is published monthly, except bimonthly June/July issue, by the National Restaurant Association, 1200 Seventeenth St., N.W., Washington DC 20036-3097. Membership dues include $25 to cover a one-year subscription to ***Restaurants USA***. The nonmember subscription fee is $125 per year. Second-class postage paid at Washington DC 20036-3097 and additional mailing offices.

Copyright © National Restaurant Association 1991.

Postmaster, send address changes to ***Restaurants USA***, 1200 Seventeenth St., N.W., Washington DC 20036-3097.

© All rights reserved.
Reprint with permission only.

PRESIDENT'S REPORT

Michael E. Hurst, owner
15th Street Fisheries, Ft. Lauderdale, FL

Bumpers goes to bat for minimum-wage exemption

Senator Dale Bumpers (D-AR), chairman of the Senate Small Business Committee, is working to generate support on Capitol Hill for restoration of the small-business exemption to the minimum wage. Bumpers is the lead sponsor of S. 349, the bill that would ensure that eligible small businesses are exempted from the federal minimum wage law, as Congress had originally intended.

According to minimum-wage legislation passed in 1989, businesses were to be exempted from federal wage law if they grossed less than $500,000 per year. But because of a certain condition in the bill—that any employee who engages in interstate commerce must be covered by federal wage law—many of the businesses that should have been exempted were not.

If this problem is not corrected by April 1, 1991, small businesses will be hurt even more when the new federal minimum wage increases to $4.25. Show your support for S. 349 by calling or writing your senators and representatives.

EEOC asks association to pass the word

Representatives of the Equal Employment Opportunity Commission (EEOC) met with members of the National Restaurant Association in February to discuss sex discrimination in restaurant hiring practices. The EEOC representatives said that they have received a number of complaints about discrimination against female employees and female job applicants in fine-dining establishments.

At the recent EEOC meeting, representatives stressed that they want to educate operators about the law and hope to avoid targeting restaurants for enforcement. They asked the association to pass the word on to operators to learn about the law and adhere to its guidelines before EEOC intervention is required.

1991 Legal Problem Solver available

To help operators with issues such as sex discrimination and other legal questions, the association is offering a newly revised version of the *Legal Problem Solver for Foodservice Operators*. Prepared by the association's legal counsel, this publication is a good guide to the regulations governing foodservice operations. For more information, refer to the back cover of this issue of ***Restaurants USA.***

Food Media Conference

On February 14, a presentation was made to 100 food editors and other reporters at the International Food Media Conference in Dallas. Key elements of the presentation drew attention to efforts by restaurateurs to provide more casual dining options and the tremendous efforts of fast food operators to meet the increased demand for nutritional menu items. Last year, the editors and writers who attended the event produced 600 articles based on the information received at the conference, and this year's audience seemed very receptive to the topics discussed.

Board visitation program

During the last year, board members have been encouraged to come to Washington DC to meet one-on-one with their congressional representatives. About 10 board members have already been to Washington and had productive meetings with members of Congress.

These appointments are scheduled by the government affairs department at the association's headquar-

ters in Washington, and a lobbyist usually accompanies the association board member as he or she meets with congressional leaders to emphasize our industry's stance on key legislative issues. Meetings are sometimes arranged with freshman members of Congress so that they may be introduced to our industry. This program has had positive results so far, and I hope that it is carried on throughout the next year.

Gearing up for the Show

The association is busy preparing for the 72nd annual National Restaurant Association Restaurant, Hotel-Motel Show to be held May 18–22 at Chicago's McCormick Place. This year's Show will feature more than 1,900 exhibitors and 100,000 attendees from across the United States and abroad.

Exhibitors will display the latest in foodservice products, equipment and services on four huge floors, making the Show the place to catch all the latest innovations. A new exhibit this year will be The Hotel Collection, a display area that will feature hotel and motel exhibitors. Other exhibits include Illinois Avenue, the Seafood Center, and Wine and Spirits Way.

Radio and television personality Larry King will be the special guest speaker at the opening-day program, and from that point on, the Show will offer attendees a host of exciting events. Also on the schedule are the Salute to Excellence Reception and Dinner, the Salute to Excellence Forums, educational seminars, the Main Course 10K race, the American Culinary Classic and many other events.

Be sure to return your Show registration form soon. For more information about the Show, call our Chicago office at (312) 853-2525.

Educational foundation to hold show seminars

On May 18 and 19, during the Show in Chicago, the educational foundation will hold a number of convenient educational seminars on foodservice issues. Some of the topics covered will include food safety, employee motivation, staff training, operational costs, responsible alcohol service and legal issues.

Full and half-day seminars will be offered so that interested persons may attend more than one seminar. Check the inside front cover of the magazine for a complete schedule. For more information about Show seminars, contact the foundation's customer service department at (800) 765-2122.

We welcome the 72 new members who joined the association last month. We hope to meet you at the Show in May and share our common interest in making our industry even stronger in the years to come.

Sincerely,

Michael E. Hurst

Michael E. Hurst
President and Chairman of the Board

RESTAURANTS USA

FRANCHISES ROLL OUT NEW IDEAS

Restaurant franchises are looking to innovative technology and organizational strength to define future growth.

SPECIALS

14 Should your restaurant accept debit cards?
Debit cards are a new payment option that allows money to change accounts without ever changing hands.

17 Smart cards: The plastic of the future
Owning a smart card—the latest wave in money-management technology—is like having a computer in your pocket.

19 How fast should a franchise grow?
Controlled, sustainable expansion may be the best growth strategy for franchises of the future.

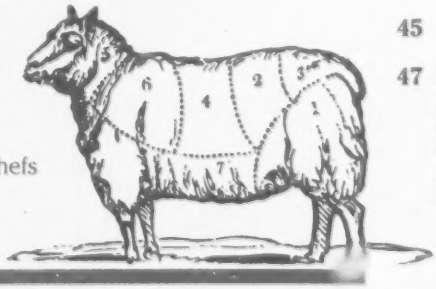
22 Franchise advisory councils
Franchise advisory councils give franchises a forum for resolving problems and sharing successes.

24 A chef's condiment primer
A condiment connoisseur shows how the seven groups of condiments can perk up any menu.

26 Double drive-thru restaurants
Making the most of small situations, double drive-thrus are returning fast food to its simple roots.

29 Shopping-mall restaurants
Restaurateurs shopping for customers are finding them in America's malls.

32 Cooking with low-cost cuts of meat
Cheaper cuts win top marks for flavor and help chefs cut food costs to the bone.



DEPARTMENTS

6 Short Orders
- ☐ Culinary Team USA apprentice tryouts
- ☐ May we ask a favor?
- ☐ Help prevent infant drownings
- ☐ Fighting birth defects with pizza
- ☐ Time to think Show

7 Feedback
- ☐ Raw egg on our faces

8 The Environment
- ☐ An earth-friendly franchisee

9 Washington Report
- ☐ Higher federal minimum wage April 1

10 Tech Services
- ☐ Are oysters safe to eat?

11 Chopping Costs
- ☐ Finding the balance

12 Boardroom
- ☐ Winter board-meeting report

12 Viewpoint
- ☐ Designated-driver programs save lives and businesses

35 Fisher's Law
- ☐ Thanks, Professor

36 Foodservice Trends
- ☐ Recession and foodservice
- ☐ Black-owned eating and drinking-place firms
- ☐ 1990 annual CREST report
- ☐ Mexican restaurants heat up

44 Market Measure

45 How's Business

47 Food for Thought
- ☐ Pizza-box revolution
- ☐ Symphonic slices
- ☐ Flexible soul
- ☐ Hotel 2020
- ☐ Service, please

Front cover photo by Gary Landsman. Back cover photo by Mark Wieland.

Fighting birth defects with pizza

Middleby Marshall, a Chicago-based manufacturer of conveyor ovens, recently hosted the first annual "Best Pizza in Town" contest on behalf of the March of Dimes. In addition to baking dozens of delicious pies, participants raised $22,000 to help fight birth defects in the Chicago area.

Although results of the Best Pizza contest were hardly conclusive, Beggar's Pizza and Jailhouse Pizza tied for first-place honors in the small independent category, as judged by a panel of industry experts and March of Dimes youth ambassadors. "There's talk by the March of Dimes people of rolling out this event nationally," says Middleby Marshall's David Jennings. In all, 11 dough-slinging pizzerias squared off in the Chicago competition.

Chicago pizza makers competed for "Best Pizza in Town" honors in a contest to help raise money to fight birth defects.

Help prevent infant drownings

The five-gallon container you took home from the restaurant may be a source of danger to an infant.

In the past five years, more than 100 small children have drowned after falling into industrial-sized buckets containing water or other liquids. In a typical bucket-related drowning, someone is using a bucket of liquid for a household chore. When the bucket is left unattended, a toddler approaches the bucket and falls in.

The newly formed Coalition for Container Safety is spreading information about the problem and is making warning stickers and brochures available. Industrial containers are commonly used in the foodservice industry for products such as condiments and soaps. Operators may obtain the warning sticker and brochure by contacting the Coalition for Container Safety at (800) 282-5385.

AVOID THE DANGER

Time to think Show

May 18 through 22 are the dates for this year's National Restaurant Association Restaurant, Hotel-Motel Show. Restaurateurs and other foodservice professionals should begin now to make plans to attend this year's Show at McCormick Place in Chicago.

At the heart of the Show are the 1,900 exhibitors who will cover four huge floors of the McCormick Place Convention Complex. These exhibitors offer operators a chance to see the latest in product innovations, food products and services. Everything from exotic seafood to computer systems will be on display for restaurant operators to sample and discuss.

The annual Show is also a time for educational seminars, evening entertainment and even a popular 10K race. For more details about this year's big event, contact the association's Show office in Chicago at (312) 853-2525.

The 72nd National Restaurant Association Restaurant, Hotel-Motel Show will be held May 18–22, 1991, at Chicago's McCormick Place.

The American Culinary Classic pits top chefs from 16 nations against one another in spirited competition. Show attendees watch the masters at work through glass-enclosed kitchens.

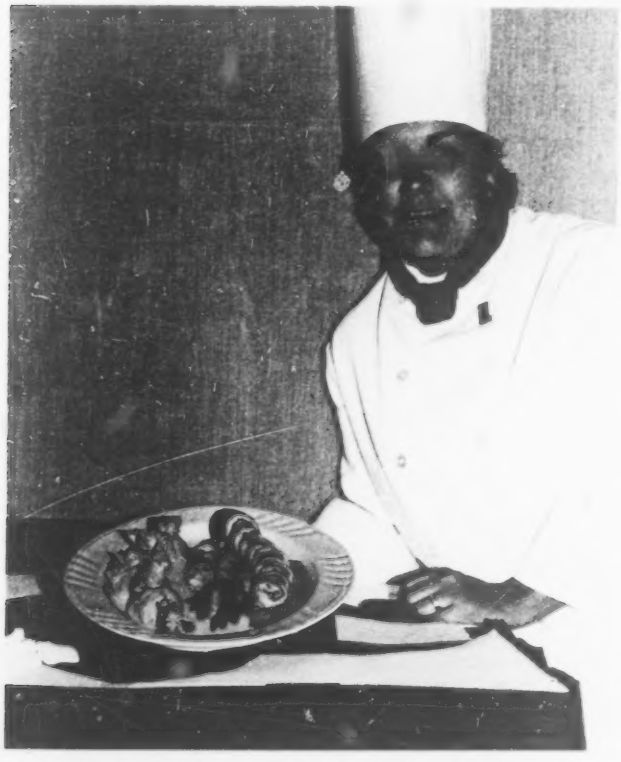
Culinary Team USA apprentice tryouts

The 1992 Culinary Team USA is presently holding tryouts for 25 apprentice positions. Tryouts have already been held in Tampa, Florida; Portland, Oregon; and Dallas, Texas. An additional regional tryout will be held April 13 through 15 in Stamford, Connecticut. Competitors are tested on knowledge of basic cooking skills as well as the ability to follow directions.

Apprentices to the Culinary Team USA will attend practice sessions and international competitions, beginning with the American Culinary Classic in Chicago this May and culminating with the "Culinary Olympics" to be held in Frankfurt, Germany, in October 1992.

Each apprentice will be matched with a Culinary Team USA team member. "This is a great opportunity for a future culinarian," says Keith Keogh, CEC, team manager and executive chef at Walt Disney World's EPCOT Center. "The first-hand experience gained through the association with our nation's best chefs helps advance their career prospects."

According to international rules established by the World Association of Cooks Societies, apprentices are allowed to accompany international culinary teams for up to one year after graduation. For more information, contact the 1992 Culinary Team USA headquarters at (407) 560-7318.



Qualifying apprentice Angel Smith is pictured with her cold food plate at the Tampa tryouts for Culinary Team USA apprentices.

May we ask a favor?

The association's information service and library (ISAL) receives many inquiries about job descriptions and written forms for foodservice operations. The ISAL would like to refresh its supply and develop an up-to-date file of these items to make available to members on request. To do so, we need your help.

The ISAL requests that members send samples of forms for scheduling, purchasing, food and beverage cost control, inventory, reservations and other procedures to ISAL Forms, National Restaurant Association, 1200 17th Street, NW, Washington DC 20036. Also requested are examples of job descriptions for all foodservice positions. For more information, call (800) 424-5156 or (202) 331-5960 and ask for Kate Riley or Larry Himelfarb.

FEEDBACK

Raw egg on our faces

The December 1990 issue of ***Restaurants USA*** featured an article and recipe about the popular Italian dessert tiramisu ("Tiramisu" by Leslie Pietrzyk). The recipe called for the use of uncooked egg yolks—which may be unsafe.

The National Restaurant Association and the U.S. Food and Drug Administration have warned restaurateurs in recent months that changes should be made in the handling of eggs to guard against potential contamination from *Salmonella enteritidis (S.e.)*. Shell eggs have been implicated in recent outbreaks of *S.e.* Consequently, the National Restaurant Association recommends that commercially pasteurized eggs or egg products be substituted for raw eggs in menu items that will not be thoroughly cooked, such as tiramisu, Caesar salad and hollandaise sauce.

For more complete information about new recommendations for the proper handling of eggs, see the November 1990 issue of ***Restaurants USA*** ("FDA puts eggs on its 'potentially hazardous' list"). For answers to specific questions, call the U.S. Department of Agriculture's Meat and Poultry Hotline at (800) 535-4555 or (202) 447-3333.

Address your comments about ***Restaurants USA*** and current foodservice issues to: ***Restaurants USA*** Feedback, National Restaurant Association, 1200 17th Street, NW, Washington DC 20036. Submissions may be edited for length.

An earth-friendly franchisee

Like many restaurant franchises, Burger King is committed to environmentally sound practices. But the reasons for the success of its earth-friendly initiatives come not only from corporate leadership but also from the efforts of hundreds of franchisees who own and operate individual restaurants.

In Michigan, Stuart P. Ray, owner of a Grand Rapids–based franchise company that operates 19 Burger King stores, is one of those franchisees who makes a difference. "Environmental initiatives should not be left only to the industry giants," says Ray, who began his Burger King career at the grill of a Holland, Michigan, store while a business student at nearby Hope College. "We must work together to solve the problem. Every business can be part of the solution."

Doing his part

Although the Burger King national office proposes many of the restaurants' environmental policies (such as packaging changes and recycling requirements), Ray believes that individual operators must get involved as well. Franchisees, he says, can make an impact in their own cities and towns by simply looking at the buying decisions they make, the services they control and the ways they collect and dispose of waste locally.

Ray's franchise company has adopted the slogan "Earth Friendly, Doing Our Part" to publicize its dedication to such efforts and to promote its campaign.

Stuart Ray's earth-friendly program includes recycling plastics. The restaurants rely on customers to separate plastic items such as lids and straws from other disposables.

But a slogan and promotions alone do not make a winning environmental program. Interest, involvement and action are what count. "You can't buy consumer trust with dollars," says Ray. "Actions speak louder than words."

Ray's Burger King enterprise is committed to action. He assigned one person to head the company's environmental program and to see that ideas are carried out. A district manager with a personal interest in environmental issues handles those responsibilities. The program leader works closely with employees, vendors and customers to develop new strategies, and he offers his store for test programs.

The "Three Rs"—Reduce, Reuse and Recycle—are central to the franchisee's earth-friendly campaign. In-store processes and product use are examined carefully, and changes are made cautiously and gradually. "Before sinking large expenditures into a recycling program, test it on a small scale," Ray cautions other operators.

Ray's franchise company recycles paper at both its corporate offices and in Burger King restaurant kitchens. Ray estimates that more than 100 trees per month are saved from this effort alone.

Ray is committed to the recycling of plastics, too. Most stores contain plastics-only recycling bins so that customers can separate their plastics—such as lids and straws—from biodegradables and disposable paper. Another in-store recycling program is being tested in four of Ray's units and should be implemented in all 19 units in 1991. Ray has even found ways to expand some national office policies. For instance, although packaging standards are set by corporate headquarters, customers in his units have the option to have their burgers served without any packaging at all.

Beyond the restaurant

Although Ray's earth-friendly efforts are concentrated on restaurant operations, he also reaches out to the community in a variety of ways. Ray works with the Kent County Resource Recovery program to promote drop-off sites for recyclable materials throughout the area. In addition, through the Michigan Department of Transportation's Adopt-a-Highway program, Ray's employees have adopted a 20-mile stretch of roadway for which they are responsible for picking up trash during the next two years. And in April of 1990, in celebration of Earth Day, Ray's Burger King restaurants gave away nearly 13,000 trees, infusing the local environment with a vibrant touch of green.

Ray's franchise is as dedicated to ecological education as it is to sound restaurant practices, especially at the elementary-school level. Such involvement offers a chance to inform students about environmental issues as they study other subjects. The company already sponsors programs such as "Royal Reader" and "Free Lunch with the Principal," which reward students with food coupons as they attain their academic goals. Ray also promotes the Waste Information Series, an educational program created in cooperation with the Michigan Department of National Resources and the Department of Education. The series includes lesson plans, hands-on activities and motivational materials.

Every effort is important

Stuart Ray's 19 units may be just a small part of Burger King's worldwide operations, but when it comes to helping the world's environment, Ray feels that restaurateurs must start in their own hometown. "We don't expect to solve the problem single-handedly," he says of his franchise's commitment, "but we are willing to do what we can now."

—Melanie A. Crosby

Higher federal minimum wage April 1

Beginning April 1, 1991, foodservice operators and other employers who gross more than $500,000 a year will be required to pay a higher federal minimum wage.

However, the wage rate is not the only change scheduled. All of the following changes take effect next month.

Wage rate. The new federal minimum rises to $4.25 an hour. For those enterprises which on March 31, 1990, had annual gross sales of at least $362,500 but less than $500,000, the minimum wage remains at $3.35 per hour. State law prevails where wage rates are more favorable to the employee.

Tip credit. The allowable federal tip credit increases from 45 percent to 50 percent. Beginning April 1, employers may take a maximum federal tip credit of $2.12 against wages paid to tipped workers. In cases where employers pay the federal minimum of $4.25 an hour, for example, the April 1 change will allow employers to pay cash wages of $2.13. State laws on tip credits take precedence if they are more favorable to the employee.

Training wage. An employer may pay a worker less than 20 years of age a training wage of $3.62 an hour (85 percent of the $4.25 minimum) for a period not exceeding 90 days. A second employer may pay the training wage to the same worker for an additional 90 days if the employer provides an on-the-job training program that meets Department of Labor specifications. Some states restrict or prohibit the use of a training wage.

Bumpers introduces bill to clear up snafu

Senate Small Business Committee Chairman Dale Bumpers (D-AR) and at least 26 of his colleagues are waging a furious fight to pass a bill (S. 349) to correct a glitch in 1989's minimum-wage bill.

Bumpers introduced his bill on February 5 on behalf of the National Restaurant Association and other small-business groups to correct a glitch that has had consequences that few members of Congress intended.

Even though Congress voted in 1989 to exempt many small businesses from federal wage law, a separate provision of the legislation—misunderstood by most members of Congress who voted for it—requires the federal Fair Labor Standards Act to cover any employee involved in interstate commerce during any workweek, whether or not that employee works in a business that Congress intended to exempt from the law.

Sen. Dale Bumpers (D-AR) has introduced a bill to correct an error in the minimum-wage law.

The U.S. Department of Labor has already begun enforcing this provision. In the foodservice industry, employees involved in "interstate commerce" could include those who handle or process credit-card receipts, those who unload goods coming from another state, or even employees who make or receive out-of-state phone calls.

The National Restaurant Association is lobbying the House and Senate to pass S. 349 by April 1 to ensure that small businesses will not be required to pay the $4.25 minimum to workers engaged in interstate commerce. Ask your elected officials to support the Bumpers bill. Write your members of Congress at the U.S. Senate, Washington DC 20510 and the U.S. House of Representatives, Washington DC 20515.

—Denise Roach

DCROUNDUP

□ *Operators discuss teen-labor alternatives.* Restaurateurs and state restaurant association executives met with National Restaurant Association staff last month to plan a strategy to head off unreasonable restrictions on teen employment.

Operators pledged to go on the offensive to refute allegations that part-time jobs are harmful to teens and agreed to press the U.S. Department of Labor to explain teen-employment rules more clearly to employers and to lift unreasonable restrictions on teen workers. The group also decided to reinforce the foodservice industry's support for education by building closer ties between restaurateurs and national, state and local parent-teacher groups.

Lawmakers have not yet introduced legislation on teen labor in the 102nd Congress but are expected to do so.

□ *Payroll tax cut a Senate priority.* Senate Majority Leader George Mitchell (D-ME) has announced that Democrats will push hard this year to cut the 6.2 percent Social Security payroll tax for low and middle-income workers and their employers.

Mitchell's announcement marks the first time since a payroll tax cut began gaining support last year that he and other Senate leaders have backed the proposal. Introduced by Sen. Daniel P. Moynihan (D-NY), S. 11 would gradually reduce the Social Security rate to 5.2 percent and increase the taxable wage base to $82,200 by 1996.

□ *President's budget would extend TJTC.* The Targeted Jobs Tax Credit (TJTC) received a boost from the White House last month when President Bush proposed to extend the popular tax credit through December 31, 1992, in his budget for the fiscal year.

TJTC, which helps offset wages paid to disadvantaged workers, is scheduled to expire at the end of this year. The budget proposal marks the first time President Bush has endorsed a TJTC extension.

—Andrew McLauchlin

Are oysters safe to eat?

Louisiana and Alabama are considering regulations to require warning signs at retail and food-service establishments selling raw oysters, clams or mussels—and California has already installed a warning requirement for Gulf Coast shellfish. Consumption of raw or lightly cooked shellfish has been implicated in several outbreaks of illnesses including salmonella, hepatitis A and a particularly dangerous organism called *vibrio vulnificus*. This may raise the question in some operators' minds: Are oysters safe to eat?

Oysters harvested from approved waters, packed under sanitary conditions and properly refrigerated are usually safe for raw consumption by healthy individuals, although they are not entirely risk-free. Cooking oysters to an internal temperature of 140° F or greater for four to six minutes destroys the common microorganisms of public-health concern. Oysters can be enjoyed in a variety of cooked preparations including steamed, stewed, roasted, baked, broiled, sauteed, poached and fried.

The following are some commonly asked questions about oysters.

□ *Should some people avoid eating oysters?*

Consumption of raw or partially cooked oysters carries a risk of serious illness to individuals with certain medical conditions. These medical conditions include liver disease; chronic alcohol abuse; diabetes; inflammatory bowel disease; achlorhydria (a condition in which the normal acidity of the stomach is reduced or absent); AIDS; cancer (especially if treatment is being taken); steroid dependence (as used for conditions such as chronic obstructive pulmonary disease, etc.); or any other immune-suppressed condition. It is highly recommended that individuals with these conditions consult a physician before eating raw or partially cooked oysters.

□ *Should oysters be eaten only in the months spelled with an "R"?*

Oysters may be eaten safely during any time of the year. However, oysters are highly perishable and can spoil quickly in the hot summer months if they are not properly refrigerated. Oysters can be kept fresh longer by utilizing today's improved temperature controls and distribution capabilities.

□ *What are the visible characteristics of good quality oysters?*

Oysters in the shell (shellstock) should *not* gape and should close readily when tapped. If the shell does not close tightly or the oyster meat is dry when the shell is opened, the product should be discarded. Avoid eating oysters when their shells are broken or damaged. The meat of shucked oysters is usually creamy tan in color, is plump and should smell fresh and mild.

□ *What do color variations in oysters mean?*

Although oysters are usually creamy tan, their diet or certain environmental conditions may cause them to take on other colorations. Oysters that have filtered certain microscopic organisms as food may have a reddish or greenish coloration. Pigments from these microorganisms may dissolve in water and are sometimes seen in the liquor. These discolorations are harmless and disappear when the product is cooked. However, a pink discoloration in oysters accompanied by an offensive odor is caused by the presence of yeast. These oysters should be discarded.

□ *How should oysters be handled and stored?*

Shellstock must be delivered in a container with an identification tag indicating the source. Restaurant operators must keep that tag for 90 days as an aid in back-tracing any outbreaks of disease.

Shellstock should be washed to remove excess debris prior to storage in well-ventilated refrigerated areas. The temperature of refrigeration units where oysters are stored should be between 34° F and 40° F. Shellstock should never be stored in airtight containers. Shucked oysters also require refrigeration, and consumers should closely adhere to the recommended expiration date on containers. Raw and cooked oysters should be handled separately, to avoid possible cross-contamination. Workspace and utensils should be thoroughly cleaned and sanitized between preparations.

□ *Can oysters be frozen?*

Oysters may be frozen, but once thawed, the texture of the meat becomes softer, and the oysters are generally not suitable for raw consumption. Frozen oysters, however, are quite acceptable when they are cooked. Oysters should be frozen quickly at a temperature of 0° F or lower. Rapid freezing results in smaller ice-crystal formation and less tissue damage. Freezer bags and plastic containers with lids are preferred for freezing. Shucked oysters should be frozen immersed in their liquor or water, and excess air should be expelled from the containers to provide protection from freezer burn. In storage, frozen oysters should be maintained at 0° F or lower. Oysters should always be thawed in the refrigerator, and at least 24 hours should be allowed for thawing. Oysters should never be refrozen.

If the shell does not close tightly or the oyster meat is dry when the shell is opened, the product should be discarded.

□ *Does eating oysters really help one's sex life?*

Since Roman times, people have believed oysters to be an aphrodisiac. There is no scientific basis for this belief. However, therapists treating patients for sexual disorders sometimes recommend eating oysters because of their high iron content.

—Prepared in part by the Interstate Shellfish Sanitation Conference (ISSC) Education Committee

Finding the balance

When chef Terrance Brennan was first approached with the idea of preparing his brand of haute cuisine for a fixed-price menu designed to reach value-minded customers, he was skeptical. At the time, Brennan was executive chef of the Polo in the Westbury Hotel in New York City, an elegant restaurant where the per person check averages almost $70. Before the Polo, he cooked at Le Cirque in New York, Moulin de Mougins and Taillevent in France, and La Gavroche in London.

"Andrew Silverman came in to the Polo and liked what I was doing," says Brennan. "He approached me with the idea of a fixed-price-menu restaurant that could tap a broader clientele with lower check averages. Initially I thought the idea was crazy. I mean with the food I was preparing, how could we keep the check averages so low?"

Gradually the idea began to intrigue Brennan. "I was ready to do something different. We're not reinventing the restaurant here, but we are serving haute cuisine at prices more people can afford," he says.

The anticipation of increased customer traffic lured him into the scheme. "At the Polo, we'd do 80 to 100 dinners a night. I wanted to cook for more people who could afford to eat in my restaurant. As a chef I love cooking for people, and I thought this would give me a chance to reach more people with my food," he says.

Brennan worked with owners Silverman and Steven Dampf to prepare the concept for the Prix Fixe restaurant, located in the Flatiron District of Manhattan. They designed two lunch menus, one priced at $13.50 and the other at $18.50. The $13.50 lunch menu offers diners a choice of four appetizers, five main courses and four desserts. The $18.50 menu lists two appetizers, two main courses and two desserts. The lunch crowd may choose an appetizer and main course or a main course and a dessert. There are two dinner menus as well, one at $21 and the other at $36, and patrons are allowed a choice from all three courses.

"The concept really appealed to me because the menu is all laid out. You know how much you're going to spend when you come in. Customers don't have to agonize over whether to order something because of the prices, so it allows them to make choices quicker—and that allows us to have faster turnovers. We knew going in we'd have to do volume in order to make this work," says Brennan.

The most exciting task for Brennan has been preparing the same high-quality food he prepared at establishments such as the Polo—at a lower food cost. "It is definitely a challenge to do high quality at high volume. You have to find the balance. I call it adjusting, not downscaling," he says.

Brennan says that having a limited menu helps a great deal with keeping costs down because he can usually figure how many of each entree he'll sell. He says that he always includes a chicken dish on the menu "since chicken is an inexpensive item. Selling 100 chicken entrees allows me to prepare my signature dish of salmon in horseradish crust with salmon caviar. That dish is like our calling

SAUTEED SKATE A LA NAGE WITH LEMONGRASS AND CORIANDER BROTH

Serves 6

Ingredients:

For the skate:
1½ lbs. skate wing filets
1½ ozs. olive oil
½ cup milk
½ cup flour
1 Tbs. coriander seeds
30 pieces of coriander leaves or ¼ cup loosely packed
Salt and pepper to taste

For the lemongrass and coriander broth:
½ cup white onions, sliced thinly
½ cup fennel, sliced thinly
½ cup carrots, sliced thinly
½ cup celery, sliced thinly
½ cup parsnip, sliced thinly
2½ cups dry white wine
4 ozs. extra-virgin olive oil
3 ozs. lemon juice
2½ cups water or chicken stock

For the sachet:
3 lemongrass stalks, cut in small pieces
2 bunches coriander stems and roots, chopped
2 Tbs. coriander seeds
1 Tbs. cracked black pepper
1 bunch parsley stems
2 bay leaves
3 garlic cloves, crushed
Salt and pepper to taste
Tie all ingredients in a cheesecloth

Method:

In a large saucepot, place vegetables for broth, extra-virgin olive oil, salt and sachet. Cover and sweat vegetables for about 6 to 7 minutes. Add wine and lemon juice and reduce by one-quarter. Add water or stock and simmer for 5 minutes. Add salt and pepper to taste. Extract liquid from sachet and discard. Keep warm.

For the skate:

Dip skate wings in milk and dredge lightly in flour. Saute skate in a nonstick pan with olive oil over high heat about 1 minute on each side. Skate should be nicely browned. Salt and pepper to taste.

Divide a la nage garnish and some broth on six warm plates. Place skate wing on top. Garnish with coriander leaves and seeds. Serve immediately.

—Courtesy of Terrance Brennan

Nutritional analysis per serving: 492 calories, 26 grams protein, 20 grams carbohydrate, 28 grams fat, 294 mg. sodium; cholesterol levels not available

card, and I can put that on the $21 menu if I watch my costs closely," he says.

The buying end of the business is very important, says Brennan. Staff members go to the various food markets to secure the freshest ingredients at lower prices. The operators of Prix Fixe also make a habit of paying their bills from food purveyors within 10 days, and that practice nets them a big savings.

Although finding the proper balance in his new position at Prix Fixe is not always easy, Brennan says he is glad he accepted the challenge. "Personally, I feel that haute cuisine had gotten out of hand. Some of these places were charging outrageous prices. I've learned I can still prepare the foods I used to, but now I might use skate instead of halibut, using the same method of preparation and sauces so it still tastes delicious. I think we're going to see a lot of top-end restaurants holding their prices steady instead of raising them, and we'll see more casualization—still very serious with the food, but more price-conscious at the same time," he predicts.

As much as Brennan enjoys cooking for others, his customers are showing even greater enthusiasm for consuming his culinary efforts. "We've had a fantastic reception so far. I think at first people thought, 'Oh, well, they're just doing this initially, then they'll raise the prices.' Even some of my colleagues were skeptical," says Brennan.

But there's no secret or trick to making this formula work, according to Brennan. It just takes a long pole and a lot of balance.

—Jennifer Batty

Winter board-meeting report

The National Restaurant Association's Board of Directors gathered for its winter meeting in January in Orlando, Florida, and the following issues were addressed by board committees:

The **Government Affairs** Committee reaffirmed its commitment to the association's government-affairs agenda by planning individual visits to Washington to meet with Congressional representatives. Issues of particular concern include teen-labor laws, repeal of the FICA tax on tips, tip-reporting requirements, proposed civil-rights legislation, restoration of the small-business exemption to the minimum wage, expansion of the Earned Income Tax Credit and mandated health-care proposals.

The **State Relations** Committee reviewed a December survey of chains, state restaurant association executives and National Restaurant Association directors. The survey identified the top 10 state legislative issues for 1991, showing that mandated benefits, environmental proposals and taxes were the top priorities.

The **Political Action** Committee authorized $34,000 in contributions to 23 candidates (seven Democrats, 16 Republicans).

The **Communications** Committee reviewed the launching of the National Restaurant Association Newswire, a monthly wire that publicizes association events, activities and achievements as well as national industry news. The newswire is circulated to magazines and newsletters of the state restaurant associations.

The **Convention** Committee discussed plans for the upcoming 72nd annual National Restaurant Association Restaurant, Hotel-Motel Show, May 18–22, 1991, in Chicago. Features at this year's Show will include the American Culinary Classic, an international competition among chefs from 16 countries; special exhibitor sections such as the new "Hotel Collection" and the Seafood Center; and renowned speakers such as broadcast personality Larry King and *New York Times* columnist Jane Brody.

The **Membership** Com-

Designated-driver programs save lives and businesses

by Michael E. Hurst

This may just be the year of the designated driver.

Certainly at no other time in recent memory has such pressure existed—both political and societal—to find a solution to the national tragedy of drunk driving. In statehouses across the country, the issue of blood-alcohol-content (BAC) levels—the level of alcohol in the blood at which a driver is legally deemed impaired—is being fiercely debated, and an increasing number of constituents are demanding that BAC levels be lowered from the nationally recognized standard of .10.

Five states have already yielded to these demands, the state of California being the most recent to lower its legal BAC limit to .08. At this rate, and in today's charged climate, .08 as the legal BAC limit may soon be the norm, not the exception. The question is, will it stop there?

Not if the federal government has anything to say about it. I had an opportunity recently to hear an address by Transportation Secretary Samuel Skinner, during which he suggested that the federal government is considering using the same tactic to urge states to lower BAC levels that it used to get states to raise the legal drinking age: namely, it will withhold federal highway funding from states that don't comply.

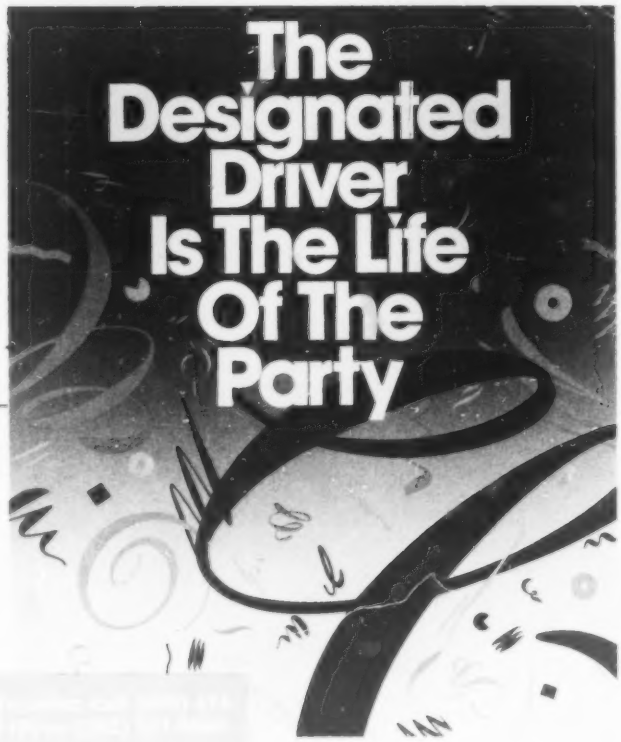
Granted, this was just speculation, not a concrete proposal. But Congress has gone so far as to request from the National Academy of Science (NAS) a recommendation as to what would be an appropriate BAC level for drivers. In a previous recommendation, NAS established a level of .04 as appropriate for drivers of commercial vehicles. It isn't difficult to guess which direction they will go in setting a limit for *all* drivers.

Also, the National Highway Traffic Safety Administration (NHTSA), a division of the Department of Transportation, is expected to issue its own recommendation. More than likely, the NHTSA-proposed limits will reflect Skinner's acknowledgement during his speech that "a BAC level of .00" is the ultimate goal.

Never mind that lowering BAC levels is relatively inef-

mittee resolved that all members from the 30 dual-membership states will be offered a membership renewal discount if they recruit a new association member. The discount, equal to 50 percent of the dues of the new member, will be offered for a one-year trial period.

The **Projects with Industry** Committee announced that in May, five awards will be given to recognize companies employing people who are disabled. Recipients of the awards will be Radisson Hotels; Pizza Hut, Inc.; Ponderosa; ARA and Elwyn Institutes.



fective in keeping problem drinkers off the road. According to NHTSA, drivers with BAC levels between .01 and .09 account for less than 8 percent of the total number of drivers involved in fatal accidents. Drivers with BAC levels of .10 or more make up almost 25 percent of the total.

Another set of figures illustrates the same pattern. Between 60 and 75 percent of all convicted drunk drivers have BAC levels of at least .15 at the time of arrest and are considered to be problem drinkers.

Clearly, these statistics show that it would be a waste of person power and public funds to attempt to detect and arrest drivers with BAC levels under .10. Those funds would be better spent enforcing existing laws and building programs to treat problem drinkers.

Logic notwithstanding, the pressure to do something is very real, as any politician will tell you—or as many restaurant operators will tell you, for that matter. As servers (however responsible) of alcoholic beverages, we are perceived as being part of the debate—and unfortunately, we are misperceived by many as being part of the problem.

As business operators and members of our communities, it is important that we correct any misperceptions that may exist and that we clearly and forcefully demonstrate our commitment to responsible alcoholic-beverage service. This is where the designated-driver concept comes in.

Simply stated, the concept is as follows: One person in a dining party is designated as the driver and refrains from drinking alcohol. The role of the restaurant is to post signs and other reminders of the need to designate a driver; in some instances, the designated driver is given free or discount nonalcoholic drinks.

That's all there is to it. No huge financial outlay, no complicated implementation process—just a simple program that works. Customers who patronize establishments that have designated-driver programs can drink moderately or not at all, without concern about confusing BAC levels. Operators can worry less about third-party liability in case of an accident and can focus more on making certain that customers have a pleasant dining experience. And most important, communities can feel secure in knowing that there are fewer drunk drivers on the road.

To the naysayers who suggest that designating a driver may make others in a party feel they are "off the hook" and therefore free to overindulge, I say let's give our customers a little more credit. A moderate drinker will drink moderately no matter what the occasion or circumstances. Similarly, a problem drinker will try to overindulge no matter what the circumstances—designated driver or no designated driver.

Of course, as operators it is our responsibility to stop serving alcohol to an inebriated person. But I think you'll agree (and studies show) that with today's heightened awareness about good health and the dangers of overconsumption of alcohol, most of our customers drink moderately and responsibly.

The National Restaurant Association recently pledged its support to two major designated-driver programs. The first program, developed by Mothers Against Drunk Driving (MADD), is promoted through table tents, buttons, coasters and napkins, all bearing the slogan "The Designated Driver—You Can Live With It." The second program, organized by the Harvard School of Public Health's Harvard Alcohol Project, uses the slogan "The Designated Driver is the Life of the Party." Materials and posters promoting both programs are available from the association's Washington headquarters.

Whether you take advantage of one of these programs or develop one of your own, I urge you to establish a designated-driver program in your restaurant. At the least, you will demonstrate to your community that you are committed to responsible alcoholic-beverage service and possibly help to deter further government action on the BAC issue. At the most, you may save lives.

SHOULD YOUR RESTAURANT ACCEPT

DEBIT CARDS?

Debit cards are the newest payment option that retailers are offering their customers. If debit cards continue to grow in popularity, every restaurant will have to consider accepting this new form of plastic payment.

by Mary Follin

As customers continue to choose plastic over the "green stuff" to make purchases, new ways have been invented to enable consumers to part with their money without actually handling a dime. Latest on the plastic horizon are debit cards—bank cards that operate on the "pay now, then enjoy" premise rather than the "enjoy now, pay later" philosophy of the traditional credit card.

Although debit cards are just now becoming popular at some convenience stores, grocery stores and gasoline stations, restaurants will soon have to consider adopting this new method of payment as a viable way for money to change accounts.

What is a debit card?

The term "debit card" is defined as a card that records payment from the customer to the retailer before the receipt of goods. A customer may present a pre-paid card (known as a cash card) at the register, and the card is then debited for the amount of purchase. Or the customer may use a bank card to instantaneously transfer funds from the customer's bank account to the restaurant's account through use of an on-line system such as the kind used with automatic teller machine (ATM) cards. Each of these cards has its own features and benefits.

First, let's consider cash cards. Mike Haynes, vice president of Payment Systems Development Corporation (PSDC), a Fairfax, Virginia. firm that produces and markets a cash card, describes a pre-paid cash-card system as one that allows consumers to purchase $10, $20 or $50 cards at automated card dispensers.

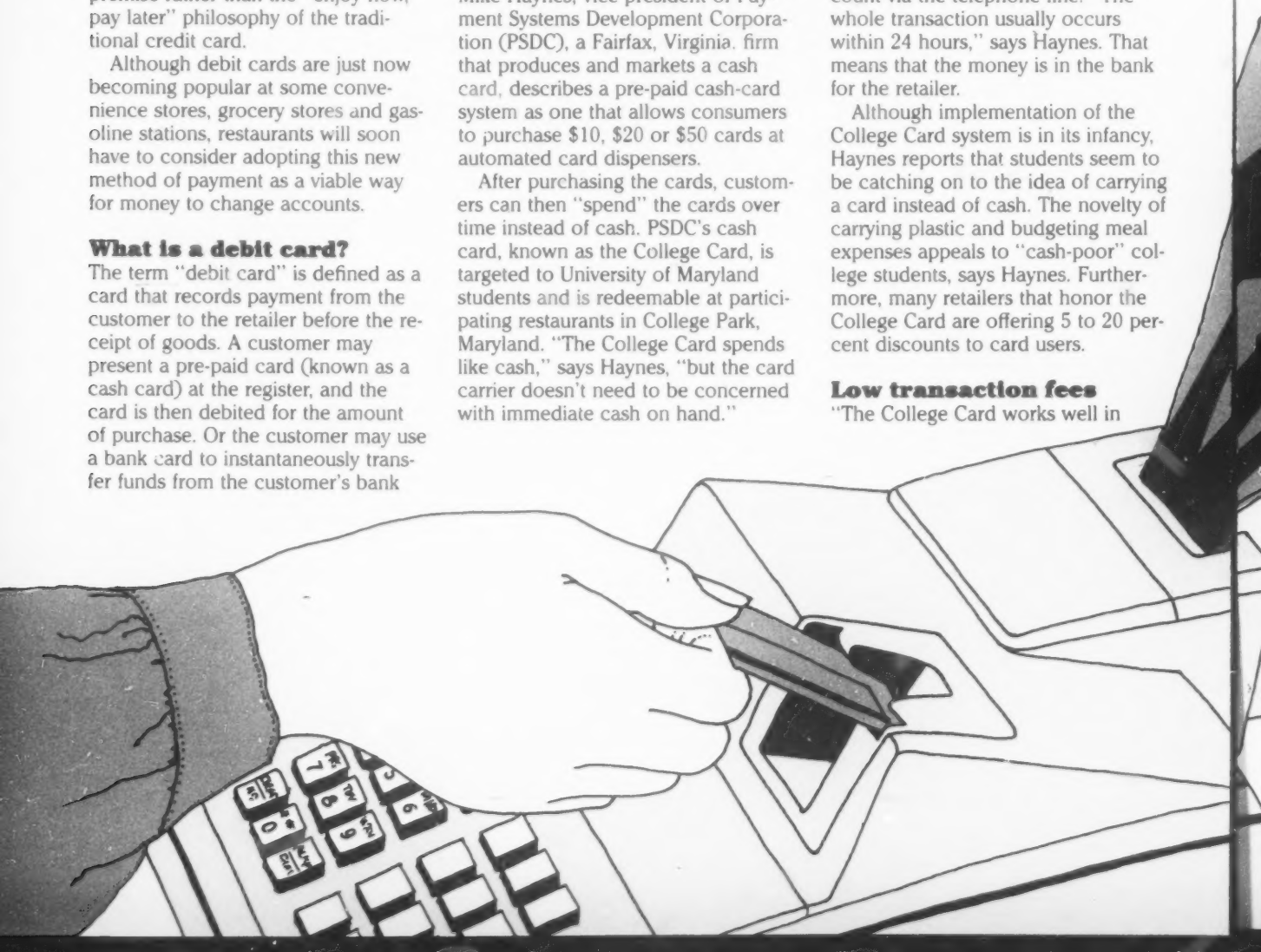
After purchasing the cards, customers can then "spend" the cards over time instead of cash. PSDC's cash card, known as the College Card, is targeted to University of Maryland students and is redeemable at participating restaurants in College Park, Maryland. "The College Card spends like cash," says Haynes, "but the card carrier doesn't need to be concerned with immediate cash on hand."

According to Haynes, vendors honoring the College Card appreciate the speed with which the card swipes through a point-of-sale (POS) reader, automatically debiting the card's magnetic strip for the amount of purchase. At the end of the day, the POS terminal totals the day's College Card receipts and electronically transfers funds into the establishment's account via the telephone line. "The whole transaction usually occurs within 24 hours," says Haynes. That means that the money is in the bank for the retailer.

Although implementation of the College Card system is in its infancy, Haynes reports that students seem to be catching on to the idea of carrying a card instead of cash. The novelty of carrying plastic and budgeting meal expenses appeals to "cash-poor" college students, says Haynes. Furthermore, many retailers that honor the College Card are offering 5 to 20 percent discounts to card users.

Low transaction fees

"The College Card works well in



establishments that cannot economically offer credit cards," says Haynes in explaining why debit cards could be more popular than credit cards with some retailers. Pre-paid cards have a set transaction fee of 15 to 20 cents per transaction rather than the percentage-of-sale fee charged by credit-card companies. With a pre-paid card, fast food restaurants and other establishments with relatively low sales per ticket can offer consumers a method of payment other than cash. Haynes is aware of credit card experiments conducted by fast food companies. "Credit card companies are attempting to migrate into the [low check-size] market, but we think the pre-paid card will be the preferred cash alternative in that arena."

Richard Carbone, owner of the restaurant Hawthorne's Chicago Eatery in College Park, Maryland, agrees. With relatively small per ticket sales, Hawthorne's is a participant in the cash-card program. Carbone sees two customer groups in the near term for the card: college students and retired senior citizens. Both groups, he says, are reluctant to use credit cards, and the cash card is a nice alternative.

"Both demographic groups are on fixed incomes and prefer not to charge," says Carbone. "They can buy a cash card with their weekly allotment and spend it in area restaurants."

Hawthorne's offers a 10 percent discount to card users and has found a steady increase in cash-card patronage. As an early user of the system, Carbone is willing to wait for a return on his investment. He cites the low cost of entry, minimal monthly equipment rental fee and nominal transaction cost as a worthwhile exchange for the increased patronage he foresees in offering the payment option.

ATM cards in restaurants

An alternative way restaurants use debit cards is to accept existing ATM cards. Restaurants that accept ATM-card payment use an adaptation of today's widely used ATM bank-card technology. ATM machines at the point of sale in restaurants allow a customer to use a bank ATM card when purchasing food. Carl Karcher Enterprises, based in Anaheim, California, is pioneering the use of ATMs at restaurant point of sale in its Carl's Jr. restaurants. Bob Altman, vice president of management information systems, describes a typical transaction: "When a meal is ordered, the server asks the customer whether he prefers to pay 'cash or ATM,' " Altman explains. If the customer replies "ATM," the server hits the ATM key. The display on the back of the register asks the customer to slide in an ATM card and enter a personal identification number (PIN). The customer enters the PIN on the numerical pad (out of the server's sight) connected to the register. If the customer wants cash back above the purchase total, the server keys in the request.

Instantaneously, the appropriate amount of cash is transferred from the customer's checking account to the restaurant's account. "The transfer takes approximately eight seconds," says Altman, "and if there's no cash back, the drawer doesn't even open."

Carl's Jr. has found that the cash-back option, in particular, draws large crowds. As an added bonus for the restaurant, since the two cash-back allotments are $20 and $40, the restaurant is able to dump $20 bills—a denomination that is quick to accumulate but hard to put back into circulation.

Altman says that implementing point-of-sale ATMs was a logical step for the chain. According to Altman, 80 percent of the nation's debit-card transactions take place in California. Carl's Jr. was able to take advantage of the already established debit-card networks known as STAR and INTERLINK, which are currently recognized by most banks statewide.

The credits of debit cards

"There are a number of reasons for both consumers and merchants to become involved in debit processing," says Pam Sandstrom, sales manager for Wells Fargo in San Francisco, California, the nation's largest debit processor. Among them she lists convenience, transaction speed, cost-effectiveness over credit cards and the appeal to non-cash-carrying clientele.

"People do not like to carry checkbooks," says Sandstrom, "and are often out of cash. But bank cards remain at all times in back pockets, wallets and purses."

Haynes of PSDC also cites convenience as a compelling reason for consumers to rely on debit cards. If a student prudently purchases cash cards, for example, he can spend the rest of his cash on books and other items—and still go out to eat when he wants.

There is another feature of debit cards that may interest restaurateurs. Because the cardholder is not spending cash, a debit-card purchase is an average of 50 percent higher than a cash purchase—a statistic confirmed by Bob Altman of Carl's Jr. People seem to be more willing to debit an electronic or magnetic balance than to deplete cash on hand.

"Merchants realize numerous benefits from debit-card technology," says Haynes. He emphasizes that debit cards do not carry the same liability for merchants as do other non-cash methods of payment. Check cashing requires stringent consumer identification, and accepting credit cards risks card abuse. Debit cards are as reliable as cash, and even more secure, because debit-card revenues are immune to employee theft or other shortages.

Michael Cooper, manager of the restaurant Nunzios in Albuquerque, New Mexico, has found security to be the most significant advantage of its new ATM debit system. Nunzios, a pizza and sandwich carryout chain,

installed ATMs at each of its five Albuquerque locations last summer.

"The hassle of dealing with bad checks has been eliminated by our new debit system," says Cooper. "Before, we had to go back and forth with the bank, and finally with the customer, before we got our money." With the ATM system, the money is guaranteed up front.

Debit cards also have potential as marketing tools. Private card companies such as PSDC usually offer cooperative advertising. By promoting the card, they are actually promoting the participating businesses. Financial institutions, already promoting ATMs, are only too happy to publicize the added convenience of ATMs in restaurants. Vendors can use the card as a draw by offering discounts for card patronage.

"The use of debit cards has enabled us to market to a broader spectrum," says Carbone of Hawthorne's. He has found that cooperative advertising with the cash card's issuer has brought in new clientele, some of whom become regulars simply because Hawthorne's honors the cash card.

Planning and installation

George Cox, director of operations for a Burger King franchise that accepts cash cards in College Park, Maryland, describes their entry into the debit-card business as painless.

"Basically, PSDC [which issues the cards] set everything up," says Cox. According to Cox, PSDC did research and planning to Cox's satisfaction even before the franchise was approached. The cash-card company's representatives installed POS machines and an automated card dispenser, and they committed to providing service in the event of equipment failure. "And training employees is a five-minute job," adds Cox.

Not all debit-card setups have been so easy, however. Carl's Jr. had quite a different experience during the planning and installation stage. Although ATMs had already penetrated other California industries and were widely accepted by the public in general, installing POS ATMs in restaurants posed a challenge.

"We had to coordinate our plan between POS manufacturers, PIN-pad manufacturers, the telephone company and our bank," says Altman. He points out that a consideration as simple as the sequence of a single transaction affects all interested parties.

"Above all, transaction speed cannot be sacrificed for another feature," emphasizes Altman. "People will not tolerate a new service, no matter how useful, that increases their wait in line."

After devising a plan, Carl's Jr. ran an eight-month test in San Diego and Sacramento to "get the bugs out." Altman describes a litany of problems: The PIN-pad company had not thought to waterproof the PIN pad. A nearby taxi driver keying in a dispatch machine ran interference with the ATM and brought the system down in the presence of promotional TV crews. Just 24 hours later, a paramedic in the restaurant crashed the system—again with a dispatch machine.

"French fries were getting caught in the keyboard," laughs Altman, detailing the early problems. But he goes on to say that each problem has been solved and the chainwide system is now working beautifully.

"We are tremendously pleased with the success of our ATMs," says Altman. "The increase in revenues is absolutely worth the start-up hassles."

Cooper of Nunzios in Albuquerque is also pleased with their ATM debit system, but he recounts a much smoother transition than Carl's Jr. because Nunzios was not involved in the planning stage. A private card company, Mesa Grande Bank Cards, approached Nunzios with an already well-developed plan.

"They just rolled right in and set up," says Cooper. "I was surprised how easy the system was to learn." Cooper says that training requirements are minimal and that end-of-day accounting has not been complicated by the new system.

Should you consider debit cards?

"Not only are debit cards a viable option," says Sandstrom of Wells Fargo, "but debit cards will soon be a customer demand merchants will need to supply to remain competitive."

Sandstrom goes on to say that debit cards are in the same phase that credit cards were before national companies took over credit-card distribution and service. Small, regional banks and business owners are offering their own cards, but since there are no national networks, market penetration is slow. Some states have established networks; but in others, a large bank that refuses to join has hindered the practicality of a network.

Universal acceptance of a card is paramount for the long-term success of debit cards. People must be able to "spend" their cards in what is perceived to be an unlimited number of establishments.

Another obstacle, according to Sandstrom, is the availability of equipment. Card dispensers and retrofitted POS equipment with PIN pads are currently built on a custom basis and are not yet available "off-the-shelf." But as more merchants become involved in debit processing, equipment manufacturers are responding by making debit-processing equipment available in a more cost-effective manner.

"Technical difficulties aside, the major hurdle is getting people to try the card," says Sandstrom. The general population is unfamiliar with the concept and is reluctant to try a new system. Sandstrom advises that entrepreneurs experimenting with debit processing should allocate plenty of time and money for promotion and consumer education, enticing the consumer to try the card "just once." According to Sandstrom, research shows that once customers use this method of payment, they never pay any other way.

In fact, this increasingly accepted theory is one reason Burger King was willing to even consider implementing the debit-card system of payment in its College Park location. According to George Cox, "Whether we choose it now or not, this method of payment is going to happen to us sooner or later." ❑

Mary Follin is a freelance writer in Falls Church, Virginia.

SMART CARDS
THE PLASTIC OF THE FUTURE

by L.H. (Zarl) Malsawma

Frequent-diner programs, targeted marketing and instant meal payment will all be made easy when customers carry smart cards in their pockets.

Consider the smart card from the consumer's point of view: A small plastic card with a tiny electronic brain that stores and manages all the critical information you need to carry with you. The card stores your vital health statistics and dietary restrictions. It functions as your security card for entering buildings. It keeps track of the bonus points you accumulate in a frequent-diner program at a restaurant and contains your credit-card number and current bank balance, giving you the ability to authorize purchases without having to call for credit authorization. In addition, the card gives merchants information about you that would help them personalize and improve service to you.

If this sounds like an object from a science fiction story, it's not. It's all part of smart-card technology.

Smart cards are a reality now, although they have yet to meet mainstream acceptance. These smart cards are plastic cards, the size of credit cards, that have microchips imbedded in them. Like magnetic-stripe cards, they store information that can be accessed with a card reader. However, because the imbedded electronic circuits in smart cards are more resistant to tampering, smart cards are more reliable.

Smart cards have a memory capacity larger than that of magnetic-stripe cards, and smart cards can store several files for different functions. This "multifunctionality" of the card is the key feature and main appeal of smart cards.

Another valuable feature of smart cards is the security of information stored in them. Although the information in magnetic stripes can be read by any magnetic-stripe reader, data carried in smart-card chips can be secured and accessed only with Personal Identification Numbers (PINs). The card can even lock itself up after incorrect codes are entered a number of times.

There are three main components to any smart-card system: the cards themselves, the card reader/writer and the application software. The most simple readers are like telephone modems that connect the card with the personal computer containing the application software. More sophisticated readers can perform all smart-card transactions without being connected to a PC.

"These cards offer an opportunity to better control finances by having a bank in your pocket," says David Brancoli, director of public relations for VISA U.S.A. in San Francisco. "They represent a large leap in terms of convenience. They provide security for the customer in that no one can access files on the card without the customer's PIN, which cuts down on credit-card fraud. They also benefit the merchant by cutting down on time and telecommunications costs because of their off-line authorization capability."

Smart cards in restaurants

"I was sick and tired of the 'two-for-one' coupon systems that reward all customers alike, whether or not they were faithful patrons of the restaurants," says Jim Salazar, co-owner of the two family-owned Las Margaritas restaurants in Vancouver, British Columbia. Three years ago, he formed Clientell Systems Corporation, a software development firm specializing in smart-card technology, to produce the "Visitrak" frequent-diner program, which has been successfully implemented in the two restaurants and in a third, nonaffiliated operation.

The goal of "Visitrak" is to build customer loyalty by encouraging return business, and its data base provides for targeted marketing. Customer participants in the program purchase a two-year membership for $24, and membership includes a personalized smart card, personalized mailings and eligibility for the frequent-diner promotion.

The personalized smart card stores the customer's (cardholder's) name and address, phone number, birthday and profession. The card also keeps track of the customer's purchases and preferences at the two Las Margaritas restaurants, as well as those made in the third restaurant.

Every time the card is read at the restaurants, data is fed into a PC that produces mailing lists for targeted marketing. In this way, only notices that would interest a particular customer are mailed to that customer. For example, a customer who prefers vegetarian meals would get only the mailings that announced vegetarian specials at the restaurants.

As information is accumulated, customers are stratified and rated on

the basis of how frequently they visit the restaurant. Their rating determines the number of bonus points they receive each time they purchase something from the restaurant. For example, someone who visits the restaurant once a week gets a greater percentage of points than a less frequent user of the system. There are also designated "happy hours" during which customers can earn twice, and even three times, as many bonus points as those earned during regular hours.

There is one card reader at the hostess stand in each restaurant participating in the program, and there is one PC at each restaurant. Data from each PC is downloaded once a week for analysis, and customer preference data is printed out.

"Members of the VIP Program get at least $120 worth of benefits from participating in the program," says Salazar, "and customers appreciate the personalized marketing made possible by the system—90 percent of them agree to being polled for evaluation of the system. And the success rate of targeted mailings is almost 80 percent, compared to the usual 10 percent success rate reported for mass mailings.

"The drawbacks to the system, basically, were problems with fine-tuning the software," says Salazar. "Training of employees to process transactions with the cards is crucial to the system's effectiveness."

Nevertheless, there are approximately 500 members in the program now, and the customer base is growing—as is business at the restaurants.

The cost of installing the system with 500 cards at each restaurant was $20,000 per restaurant. The most expensive part of the system is the cards themselves, which occasionally fail as a result of improper handling by cardholders. Storing them in very tight wallets and bending them severely can damage the microchip imbedded in them, says Salazar. He estimates that the system will pay for itself in about six-and-a-half months.

Salazar is clearly a smart-card believer. "It would cost $10,000 to $20,000 to do a one-time marketing study for a chain of two restaurants, and that does not include the labor costs and inconvenience involved in polling customers at the restaurants," says Salazar. "So from the merchant's point of view, the smart-card system is a cost-effective, long-term marketing strategy that has a lot of promise."

Robert Huber, director of campus and foodservice systems in the smart card and systems division of DataCard Corporation in Minnetonka, Minnesota, believes that smart cards would be most applicable to restaurants in shopping areas. "People gravitate to shopping areas where there are many restaurants," he said. "And one could have a 'smart mall card' that would allow access to different merchants within a mall."

In fast food restaurants, customers could use smart cards as debit cards for paying for food. Combined with self-service ordering, smart cards could allow a customer to order without a cashier at all. Such a system would reduce the number of employees needed to run the counter area of the operation.

A viable technology

Henry Dreifus, senior manager and director of worldwide smart card consulting for Andersen Consulting in Chicago, estimates that there are about one million smart cards currently being used in the United States. Smart cards are now functioning as devices for access control in and out of buildings, data security of defense-related government agencies, inventory management ("smart tags" on boxes), frequent-shopper programs, and multipurpose cards for college students.

Ken Stroud, president and chief operating executive of Dahl's grocery stores in Des Moines, Iowa, had the smart-card-based "Vision Value System" installed for testing in one of his stores in September 1989. Between 5,000 and 6,000 cards were issued to shoppers at the store. The cards store demographic information such as name, address, phone number, number of children and whether or not pets and dishwashers were owned by the customer. They also store frequent-shopper points and the customer's VISA card number and balance. Information on the card is accessed with a PIN.

"A good number—16 percent—of all shoppers at the store use the card," says Stroud, "and the frequent-shopper application showed positive results, with business increasing for a year."

Howard Soloway, director of development in the research and development department of Fisher Restaurant Systems, says, "There aren't enough of them [smart cards] out there yet for us to develop interface systems for them. The technology will catch on, but it's probably two years away. Smart cards could speed up credit-card processing tremendously and cut several minutes off transactions. But at this time, they are more expensive to install than credit cards."

Oki America, Inc., in Hackensack, New Jersey, is testing a smart-card system that can read both magnetic-stripe cards and smart cards. The retail price of a terminal for the system is about $1,000. "The hardware is ready," says David Rowan, director of business development for Oki. "We're just waiting for the customer application softwares."

All on one key ring

"The value of a smart card is comparable to the value of a set of good keys on one key ring," says Rowan.

Personal Computer Card Corporation in Lakeland, Florida, has been producing smart cards since 1986. "The smart-card technology has been very static in the United States. Since the infrastructure for credit cards is already there, there is no motivation to replace it," says Kip Wheeler, president and chief executive officer. However, Wheeler also says that the company is "on the verge of expanding now."

Robert Huber of DataCard Corporation says that his smart-card business has seen "tremendous expansion" during its three-year existence. In addition to the three systems already installed on college campuses last year, they expect to install several more on campuses this summer. "Smart cards are the ultimate one-card solution," says Huber. ❑

L.H. (Zari) Malsawma is an editorial intern for ***Restaurants USA.***

HOW FAST

Eric Westbrook

SHOULD A FRANCHISE GROW?

by Gary M. Stern

In the halcyon days of the 1960s, when all a franchise had to do was open restaurants and business would boom, chains prospered, and growth possibilities seemed unlimited. But with outlets lining every highway, mall and urban thoroughfare, a burning question arises: How fast should a franchise grow?

Without a doubt, certain franchises have grown too quickly. Ironically, this rapid growth has sometimes led to a chain's disappearance. At one point the Pioneer Fried Chicken chain had more than 1,000 outlets, but it offered little support to its franchisees. Its feverish growth led to its downfall. D'Lites of America, a natural-foods chain that numbered more than 800 outlets in the late 1980s, was ahead of consumer tastes and faded because it grew too quickly. Bill Cherkasky, president of the International Franchise Association in Washington DC, notes that too many franchises expand too fast. "Rates of growth outstrip their resources to make their growth orderly, progressive and profitable."

Home-office support is a must

So how quickly should a franchise grow? According to John P. Hayes, president of The Hayes Group, a Fort Washington, Pennsylvania, franchise consulting and marketing firm, "a franchise can grow only as fast as the home office can support franchisees." Staff must be there to help franchisees through their first year by offering sufficient training and relevant demographics, real estate, contracts, food-preparation and advertising support.

Sonic Industries Inc., the Oklahoma City–based company that franchises more than 1,000 Sonic Drive-Ins, performs a market analysis of each area considered for a franchise. The key points of such an analysis are demographics and competition. Steve Lynn, Sonic's president, says the franchise is growing about 15 percent each year. "We will not go past what we can service," he adds. Sonic, like many franchises, offers co-op purchasing and advertising, six-month field training, on-the-job training and marketing support after opening.

At the fledgling Red River Barbecue, a franchise based in Wexford, Pennsylvania, that specializes in hickory-cooked barbecue, founder and president Ron Sofranko is committed

to avoiding "fast buck" growth. He wants to grow at a pace of four to eight franchises a year. "The key thing," he points out, "is to franchise at the appropriate time and for the company to be ready to franchise. We're looking at long-term growth, not quick fixes."

Controlled growth does not mean limited growth, however. Gregg Reynolds, vice president, public affairs, for Kentucky Fried Chicken (KFC), reports that KFC is interested in doubling its franchises in the next decade to number about 5,000 in the United States. KFC, based in Louisville, Kentucky, will expand in nontraditional ways, he says, including home delivery, small sandwich shops, kiosks and stadium sales. "Wherever people want to eat chicken, you have to be there," says Reynolds.

At Subway, the rate of growth is even faster: 1,000 units per year. Although this rapid pace makes some franchisees nervous, the headquarters staff believes it is right for the company.

Visibility is key to Subway's success, notes vice president of marketing Richard Pilchen. If someone eats at a Subway on one street, and then spots another Subway two blocks away the next day, that name recognition will lure him or her to dine there again. Growth, he says, "is limitless."

The underlying structure of Subway is what enables it to grow so quickly, says Pilchen. With an "infrastructure" in place that provides training, aggressive marketing, leasing assistance and in-house expertise, Subway "works hard to make sure the franchisee is successful."

Communication is key

Attorney William B. Schreiber, who specializes in franchise agreements with the law firm Dow, Lohnes & Albertson in New York City, agrees that communication is the key to a good working relationship between a franchisor and franchisee. For a partnership to succeed, he says, communication about market share, increased competition and expansion plans must take place. When a franchisor must refer to a contract to prove a point, the problems have gotten out of hand, he says.

Franchise involvement in policy decisions

At Arby's, a new regime is in place that is dedicated to involving franchisees and preventing conflict about oversaturation. Jim Squire, group vice president of Arby's International, says Arby's is committed to "franchise involvement in major policy decisions." A board composed of franchisees reviews marketing plans, advertising programs and new menu items. Arby's, which currently has 2,300 outlets nationwide and wants to double that number in the next five years, will multiply on the basis of "what percentage of its market share is reasonable to expect to maintain nationwide," says Squire.

"One of the worst things that can happen to a franchisor," he adds, "is to have franchisees go out of business. That taints the franchise concept. It doesn't make any business sense to put one franchise in business at the expense of another." By involving franchisees in development of new franchises, Arby's hopes to ward off the legal problems and conflicts that can haunt franchises.

When Grand Metropolitan, the British conglomerate, purchased Burger King from Pillsbury in January 1989, it made a concerted effort to establish strong relationships with franchisees, according to Michael Evans, company spokesperson for Burger King. Establishing a National Burger King Franchise Association served as the first step in creating communication lines between the franchise and its franchisees. Of Burger King's 5,400 domestic franchises, more than 85 percent are franchise-owned.

Burger King, however, offers no territories: the franchise is free to open any outlet wherever it chooses. But Evans notes that "it wouldn't make business sense to put a restaurant too close to another and cannibalize it. It would be like shooting yourself in the foot."

Burger King has managed, says Dick Fors, the president of its national franchisee association and owner of 50 restaurants in the western New York area, "to balance the need for market penetration with market potential for any given site. It has acted responsibly and been concerned with avoiding potential conflict with franchisees, by working with existing franchisees to open new stores." Its recently formed franchisee association has established a development/real estate committee to address issues of where units will open and how that affects existing franchisees. Discussion already has begun about compensating a franchisee when Burger King opens an outlet within its area.

Ways to control growth

In order to control growth, franchisors must study demographics, spot changes in the marketplace and recognize changing trends before placing a unit in a certain area, says John Campbell, CEO and founder of Franchise Masters Inc., a consulting firm in Minneapolis. Too many franchisors rest on their laurels and think that because the consumer wants a good burger today, he or she will want the same product tomorrow. Tastes change, and so should the companies that serve them.

Deciding on a growth rate is a complicated decision for a franchise. Ken Franklin, president of Franchise Developments, a consulting firm in Pittsburgh, believes a franchise must answer a host of questions: Does it have a competent management staff? Is it capable of handling operations and training? Can it offer sufficient assistance to franchisees? Has it solved all its operating problems? Are labor and food costs in line? Is there sufficient capital? Will royalty fees generate enough income for franchisees? Has market research been conducted to identify the market? Attorney Schreiber recommends building strong regional structures that can support any new franchisees.

Looki[illegible]ad

Looki[illegible] the 1990s, Campbell predicts that franchises will continue to grow but will be forced to monitor that growth.

To avoid oversaturation, Ron Sofranko of Red River Bar-B-Cue says that franchisors must believe in "controlled development with long steady growth. You need to avoid growing too quickly and burning out a lot of people." ❑

Gary Stern is a New York City writer.

FRANCHISE ADVISORY COUNCILS

BOARDROOMS RESOUND WITH IDEAS FROM THE FIELD

by Joan E. Herlong

Everyone acknowledges that communication is the key to good relations between franchisors and franchisees. But how can such communication be encouraged?

Fortunately, franchisors and franchisees have found a formal way to speak to one another: through franchise advisory councils made up of franchisees. These councils meet several times a year to discuss franchise company policies and how to carry them out.

Franchise representatives are either elected or appointed to advisory councils, usually for staggered two or three-year terms to preserve continuity. Some companies, such as Arby's, divide councils according to various aspects of business. Others, such as Hardee's, define councils by regions or marketing areas. At regional meetings, councils often break into smaller groups to discuss issues in greater detail.

Fred Koch is vice president of DORO Inc., which owns 25 Hardee's restaurants, and he serves as president of his area's advisory council. Koch says that licensees dictate the agenda for each quarterly meeting through letters and phone calls to their representatives. "For example," says Koch, "at our last meeting we discussed personnel issues in light of a minimum-wage increase in 1991. We were able to come up with a format to help set some wage structures."

Koch adds that council meetings are not necessarily limited to Hardee's franchisees and corporate coordinators. Quite often, guest speakers are invited to address specific issues on the agenda.

Service as an elected or appointed representative on advisory councils is voluntary and uncompensated, except for travel expenses. However, most franchisees view serving on a council as an opportunity as well as a responsibility. "People actively compete for seats on the councils," says Koch. "It is viewed as an opportunity as well as a responsibility. You learn so much."

Greg Matusky, a writer and reporter on the franchise industry in Ardmore, Pennsylvania, says that serving on a franchise advisory council often gives restaurateurs a chance to see the corporate side of franchise issues. "By the end of one's tenure on an advisory council, it is very common to see a franchisee become much more closely aligned with the corporate point of view than he is with the other franchisees," says Matusky. "The franchisee has had to put up with a lot of the same things that corporate does, such as dealing with franchisees who do not pull their own weight and do more complaining than contributing. Experience on the council helps [a franchisee] see both sides of the equation."

When corporations bring together their franchisees from all walks of business life, they capitalize on great assets of experience and expertise. Used to their full advantage, these councils can provide many of the benefits of an outside consulting group—without the expense.

Regular meetings between franchise representatives and corporate coordinators foster communication in more than one direction: between the corporation and its franchisees, and among franchisees themselves. As Tony Doyle, senior vice president of marketing for Le Peep restaurants, attests, "There are no minuses [to using advisory councils]. If you build a team approach, you have a greater chance of getting [franchisees] to understand your goals. If they understand your goals, you have a greater chance of meeting those goals. Plus, you get to deal with the native intelligence of the people who are out there every day in the street."

John Reynolds, vice president of marketing and public relations for the International Franchise Association in Washington DC, says, "More than 90 percent of our members use some form of advisory council system. Many companies form councils with as few as six units. Whether a company uses franchise advisory councils has more to do with a company's management style than its size."

How they work

As a rule, most franchise advisory councils meet quarterly. Flexibility, even in scheduling meetings, is important to a council's—and a company's—success. Greg Matusky offers a good example: "I know a company that is in some trouble right now. Usually their councils meet quarterly, but they've stepped it up to meeting every three weeks."

Dennis Willingham, group director of advertising for Arby's, says that Arby's councils meet according to various needs. "We have advisory councils for just about every aspect of business," says Willingham. The marketing advisory council and the menu council meet quarterly, and the operations council meets on an ad hoc basis. In addition to these councils, the marketing arm of Arby's is governed by a seven-person board of directors—all franchisees—elected by Arby's 475 franchisees. "They have authority over our entire marketing

program and they meet bimonthly at Atlanta headquarters," says Willingham.

Creating successful councils

The structure of any franchise advisory council depends chiefly on the needs and goals of the organization.

"It's important to set up bylaws as to how the councils will run," says Matusky. "How often will they meet? How much decision-making power will they have? How many representatives will be seated?

"You need to decide on voting power: if one franchisee owns ten stores, will he have ten votes, or just one vote? Determine what happens in the event of a seat vacancy. If you are a national company, decide whether you want regional councils, too. The franchisor must set up bylaws to control these entities. If the franchisor doesn't, the franchisees will. The crux of the structure is to provide a legitimate forum for airing issues, ideas and grievances. If you do that, the franchisees are usually content."

No matter how comprehensive the bylaws, without sincere corporate support an advisory council will not only fail, but backfire, says Matusky. "Commit to it," he says. "Promote the council in your newsletter. Keep minutes of all council meetings and send copies to all your franchisees. Highlight individuals whose ideas are being discussed at council meetings."

The purpose served

As the name implies, the role of franchise advisory councils is largely to discuss and advise the restaurant franchise on various issues. Most councils have no official decision-making power in that they do not set corporate policy. However, Hardee's franchisee Koch says, "You could say we have a kind of veto power. If we're not sold on an idea or program from corporate, the idea cannot work."

Overall, however, councils promote teamwork—even when there is disagreement. John Gray, vice president for marketing for RTM, a major Arby's franchisee, says, "When you have ownership in a decision—even if you don't agree with the ultimate decision, and sometimes we don't—it's much easier to trust that decision."

> Councils can provide many of the benefits of an outside consulting group—without the expense.

Franchise advisory councils provide an excellent forum for brainstorming, test marketing and troubleshooting. Koch recalls several new menu items that Hardee's corporate had put on the table for review during one council meeting. "Some of us felt we were moving too quickly without enough information," remembers Koch. "So we got together with corporate and said, 'Whoa, we're moving too quick on this.' We were able to reschedule the timetable without putting the kibosh on the whole thing—and without ruffling any feathers, either." Without the official conduit of the advisory council, says Koch, a simple difference of opinion between licensees and the corporate structure could be a lot more complicated.

What's in it for corporate?

Through the advisory council, franchisees gain a voice that corporate headquarters will hear. But what does the parent corporation get in return?

Arby's Willingham prefers to answer the question in terms of what a company without advisory councils stands to lose. "It would be a shame not to take advantage of the knowledge, background and expertise of our franchisees," says Willingham. "The advisory councils are very important in terms of making sure that the policies and procedures we develop have a place in the real world. The councils reduce the possibility of making expensive mistakes."

RTM's Gray adds, "Advisory councils help avoid the 'ivory tower syndrome.' It's easy for me, as a marketer, to lose sight of the forest for the trees. The councils are a vital link, keeping us in touch with real-world considerations and the people who have daily contact with the customer."

In addition, the franchise advisory council gives a company, regardless of its size, a forum for addressing problems. "I've seen big problems in a franchise—problems that could divide an entire company—resolved through the council system," notes Greg Matusky. "Small companies can use advisory councils as a great resource that might otherwise be out of their reach."

Because franchisors that form advisory councils give franchisees a voice that may strongly affect policy, the only corporations to profit from advisory councils are those that acknowledge they cannot solve every problem alone. Fred Koch underscores the point: "It takes a confident corporate structure to allow this forum to happen. It's essentially admitting they don't have all the answers."

Matusky, however, points out that using advisory councils is not just a matter of corporate headquarters giving up responsibility. "You can use councils to make sure that the franchisor stays in touch with the consumer," says Matusky. "For example, a new TV commercial was produced and shown to an advisory council. One guy on the council raised his hand and said, 'There are no blacks in this spot. My traffic is 80 percent minorities.' " It is this sort of information that is as valuable to corporate headquarters as it is to franchisees.

The best way

"It's only as valuable as you make it," says Matusky of a franchise advisory council. "I have seen companies set councils up without committing to the idea. Some corporate executives think an advisory council will placate franchisees. But if it is not a legitimate structure, the franchisees will become bitter. It's amazing how hard it is to listen in franchising. There is always that dogmatism of 'we know better,' or 'we've done that before and it didn't work.' Setting up a legitimate council system is probably the best way to avoid that pitfall." ❑

Joan Herlong is a freelance writer in Greenville, South Carolina.

A CHEF'S CONDI

With a little creativity and culinary inspiration, innovative condiments can transform a merry-go-round menu into an exciting amusement ride. Spoon pineapple salsa over fish, or rhubarb chutney over chicken, and the humdrum meal becomes sophisticated and delectable. Condiments add versatility, flair and intrigue to a restaurant's menu.

I have become a condiment connoisseur. I fill my days preparing salsa, Creole sauce, chutney and garlicky aioli. From fiery red chile sauces to piquant mustards, my restaurant menu reads like a hit parade of condiments.

There are seven major groups of condiments: salsas, chutneys, catsups, relishes, mayonnaises, mustards and international condiments. Most are quick and easy to prepare, don't require esoteric cooking techniques and can be made ahead of time, enabling dishes to be quickly assembled. Condiments can be spooned over a finished entree at the last minute or served on the side at the table.

Salsa, which means "sauce" in Spanish, is a traditional Mexican condiment. The most common form of salsa is the loose peppery tomato dip that is served with tortilla chips at Mexican restaurants. Salsa, however, is much, much more than a tomato dip. There are a variety of fruits and vegetables that make tantalizing salsas: peaches, raspberries, kiwis, pineapples, papayas and tomatillos, for example.

The spirit of salsa depends upon the spicy and sour sensations of jalapeno peppers, lime juice and fresh cilantro. This trio of flavors leaves a well-rounded zing at the tip of the tongue.

Tomatoes and tomatillos make the heartiest salsas for accompanying traditional Mexican dishes such as burritos and quesadillas. Fresh-fruit salsas stimulate and cleanse the palate, and are ideally served with light entrees such as grilled salmon, trout, halibut, chicken and steamed vegetables.

Chutney is a vinegar-based condiment rooted in Indian cuisine. It is an aromatic blend of fruit, onion and vinegar, accented with ginger, garlic, curry seasonings and hot spices. Savory and refreshing, chutney covers a wide spectrum of taste including sweet, tart, hot and sour. Apples, pears, cranberries, pineapples, tomatoes, peaches, rhubarb and mangoes are some of the fruits that create complex, strongly flavored chutneys.

For the chef, chutney is a dream come true. It is as easy to prepare as soup, has a long shelf life, and is a healthy alternative to rich, elaborate sauces such as hollandaise or bearnaise. Chutney has no cholesterol or fat, and negligible salt, and it reverberates with a gastronomical kaleidoscope of flavors and textures.

Chutneys can be ladled over grilled chicken, fish and pork, or served with roast lamb, game hens and prime rib. Curry dishes, soups, pasta salads and salad dressings also benefit from an infusion of chutneys. Chutney's appealing flavors and growing popularity may make it the trendy "pesto" of the '90s.

Catsup is on the threshold of a culinary renaissance. Although most people think of catsup as the bottled tomato condiment, there is a growing appetite for upscale, adventurous catsups. Whenever I offer a special with a flavored catsup, such as grilled chicken with pesto catsup, it rapidly sells out. People are rarely offered an alternative to the mass-produced variety, but they are quick to indulge when the opportunity arises.

Catsup is a simple blend of vinegar, fruit, onion, and honey or sugar, and it is easy to improvise. There are a wide variety of fruits, both dried and fresh, that yield wonderful, richly flavored catsups. I have served catsups flavored with sun-dried tomatoes, jalapenos, dried dates, dried apricots, garlic and fresh herbs, as well as fruity catsups prepared with rhubarb, plums and peaches. Catsups complement entrees as diverse as prime rib, roasted garlic potatoes, turkey, omelets and—of course—hamburgers and fries.

Relishes are another condiment that I have slightly revised to accommodate today's palate. Like chutney and catsup, relish is made with vinegar, fruit, vegetables and sugar. Relishes are usually sweeter than chutneys and catsups, with just a hint of tartness. The flavors of the individual ingredients are more pronounced and less blended.

Eggplants, beets, jicamas, figs, dates, apricots, bananas and nuts are some of the ingredients that I incor-

PINEAPPLE-KIWI SALSA

Yield: 3 cups

Ingredients:
½ medium-size pineapple, peeled, cored and diced
4 kiwis, peeled and diced
1 fresh red chile pepper, seeded and minced
1 Tbs. minced fresh cilantro
1 Tbs. lemon juice or lime juice

Method:
Combine all of the ingredients in a bowl and mix well. Chill for at least 2 hours before serving. If refrigerated, salsa should keep for 4 to 5 days.

Serve with mildly flavored fish such as salmon or mahimahi.

—Courtesy of Jay Solomon

Nutritional analysis per tablespoon: 8 calories, less than 1 gram protein, 2 grams carbohydrate, less than 1 gram fat, less than 1 mg. sodium, 0 mg. cholesterol

PRIMER

by Jay Solomon

porate into relishes. Jicama-corn, beet-cucumber, cranberry-fruit (sweetened with maple syrup) and banana-date are relishes with intense colors and flavors. These relishes complement a variety of entrees: marinated fish and chicken, roast pork, game hens and turkey. Relishes also make tangy toppings for vegetables, baked squash or potatoes, and leafy salads.

A homemade mayonnaise is luscious and velvety. With the proliferation of food processors, mayonnaise has become quick and easy to prepare. Blend a few pasteurized egg yolks with lemon or lime juice and mustard, drizzle oil in and—presto—the job is complete. With another short step, it's easy to create flavored mayonnaises such as horseradish, tropical, jalapeno-pimento, spinach-dill and aioli (a classic French garlicky version of mayonnaise).

Flavored mayonnaises are more than luxurious sandwich spreads. They can be spooned as a sauce over broiled fish, shellfish, chicken and filet mignon. A popular dish on my menu is sauteed scallops with spinach aioli; the scallops are sauteed, tossed with broccoli and served in a casserole dish. The chilled aioli is spooned over the scallops before serving, and it gently oozes over the shellfish. The dish is easy to prepare and exudes an enticing fragrance.

Mustards are the granddaddy of condiments, developed about 2,000 years ago. Yet until recently, mustard was primarily used for sandwiches, hot dogs and soft pretzels. Ten years ago, Dijon-style mustard was considered an esoteric ingredient. As eating trends veered toward more highly seasoned foods, cooks began using sharp, piquant mustards in sauces, salad dressings and soups. Lately, Dijon-style mustard has become de rigueur in most kitchens.

Mustard is derived from the seeds of the mustard plant. The two most common seeds are white (or yellow) and brown seeds. The seeds themselves are deceptively tame. But once they are crushed and mixed with water or another liquid to form a paste, they release a powerful, nose-tingling sensation. Introducing mild flavors such as apple, pear, champagne or honey to the mustard helps reduce the bite. A small amount of turmeric will give mustard its familiar bright yellow color.

Mustard sauces make a versatile accompaniment to chicken, pork, soy-marinated beef and fish.

There are myriad international condiments that I serve periodically as specials. Indian raita, Greek yogurt sauce and herbed tahini sauce are soothing condiments, while North African harissa, Caribbean pepper sauce and spicy lime-peanut sauce are fiery. I often offer international condiments in tandem with a contrasting condiment, such as raita with chutney, or lime-peanut dressing with champagne-honey mustard. This further expands the dimension of the meal and allows the guest to control the degree of exotic flavors.

The best way to merchandise condiments is to place the condiment's name in the title of a meal: Cumin-Grilled Salmon with Pineapple-Kiwi Salsa, Harvest Chicken with Rhubarb Chutney or Roasted Garlic Potatoes with Sun-Dried Tomato Catsup. An ordinary dish such as broiled haddock can be transformed into Tropical Haddock with Papaya Salsa. Steamed asparagus and carrots becomes Warm Spring Salad with Beet-Cucumber Relish.

Once you discover fruity chutneys and catsups, feisty salsas, bold new relishes, flavored mayonnaises and mustards, and exotic international condiments, you'll say goodbye to gooey gravy and fragile hollandaise. Your menu will become a litany of mouth-watering selections. The creative use of condiments throws the door open to healthy and innovative meals perfect for our times. ❑

Jay Solomon is the author of Condiments! Chutneys, Relishes, and Table Sauces, *published by the Crossing Press. He is also the chef and owner of Jay's Clinton Hall Cafe in Ithaca, New York.*

Art by Liz Dalgetty

SUN-DRIED TOMATO CATSUP

Yield: 2 cups

Ingredients:
3 ozs. sun-dried tomatoes
(about 36 dried tomatoes)
6 cups boiling water
3 fresh tomatoes, diced
6 garlic cloves, minced
¼ cup minced onion
½ cup red wine vinegar
⅓ cup pure maple syrup
1 Tbs. brown sugar
½ tspn. salt
¼ tspn. white pepper

Method:
Place the dried tomatoes in the boiling water for 2 minutes, drain, and discard the soaking water. (If the tomatoes are packed in oil, you can skip this step.)

Combine all of the ingredients and cook over medium heat for 10 minutes, stirring occasionally. Reduce the heat to low and cook for 3 to 5 minutes, or until the mixture is thick and chunky. Remove from the heat and let stand for 5 minutes. Pour into a food processor or blender and blend for 15 seconds, or until smooth.

Serve the catsup immediately or wrap and chill. If refrigerated, the catsup should keep for about 2 weeks.

—Courtesy of Jay Solomon

Nutritional analysis per tablespoon: 20 calories, less than 1 gram protein, 5 grams carbohydrate, less than 1 gram fat, 92 mg. sodium, 0 mg. cholesterol

TWO FOR THE ROAD

DOUBLE DRIVE-THR

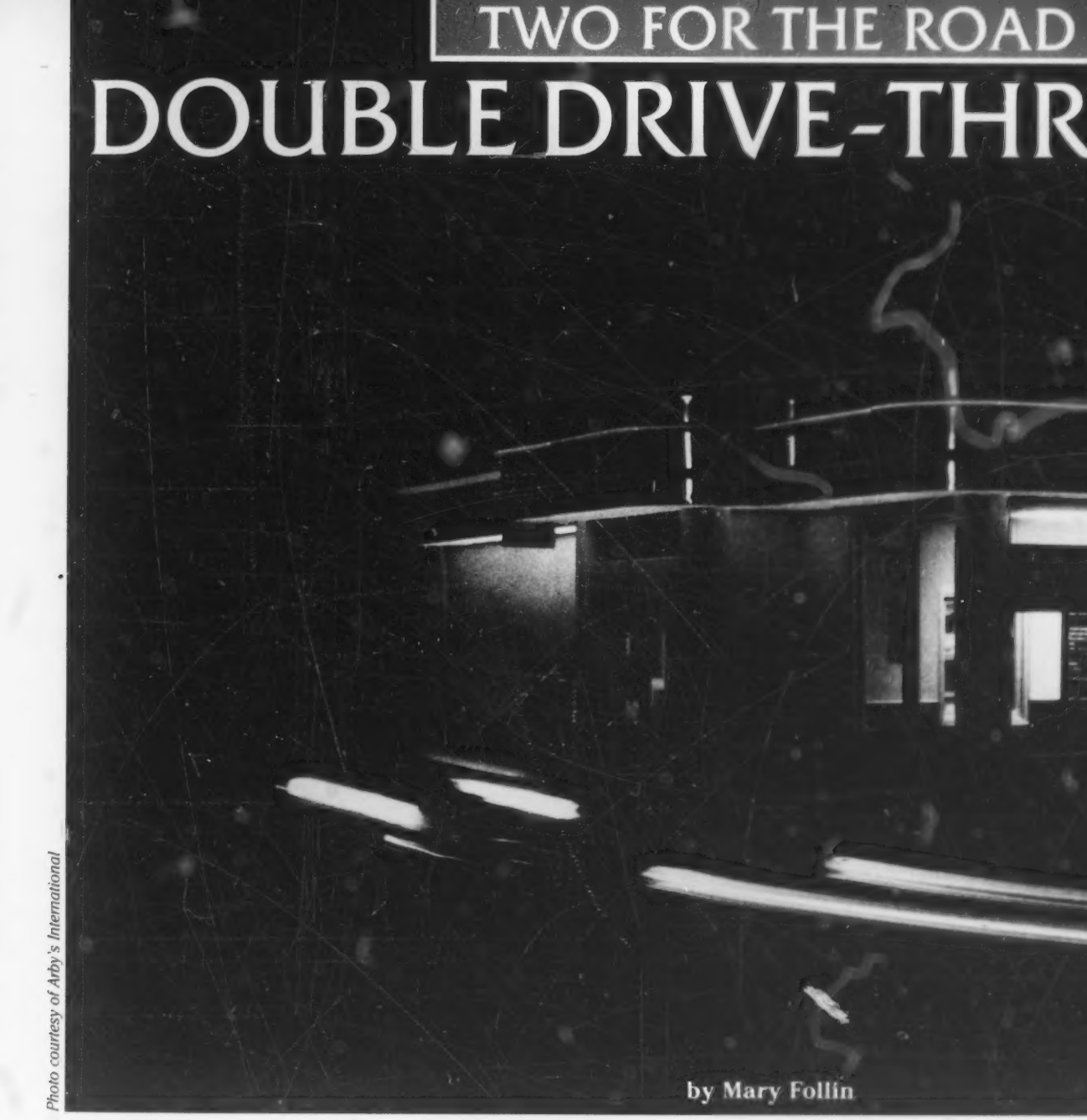


Photo courtesy of Arby's International

by Mary Follin

With units that are sleeker and simpler than ever, double drive-thru restaurant chains are making inroads across America.

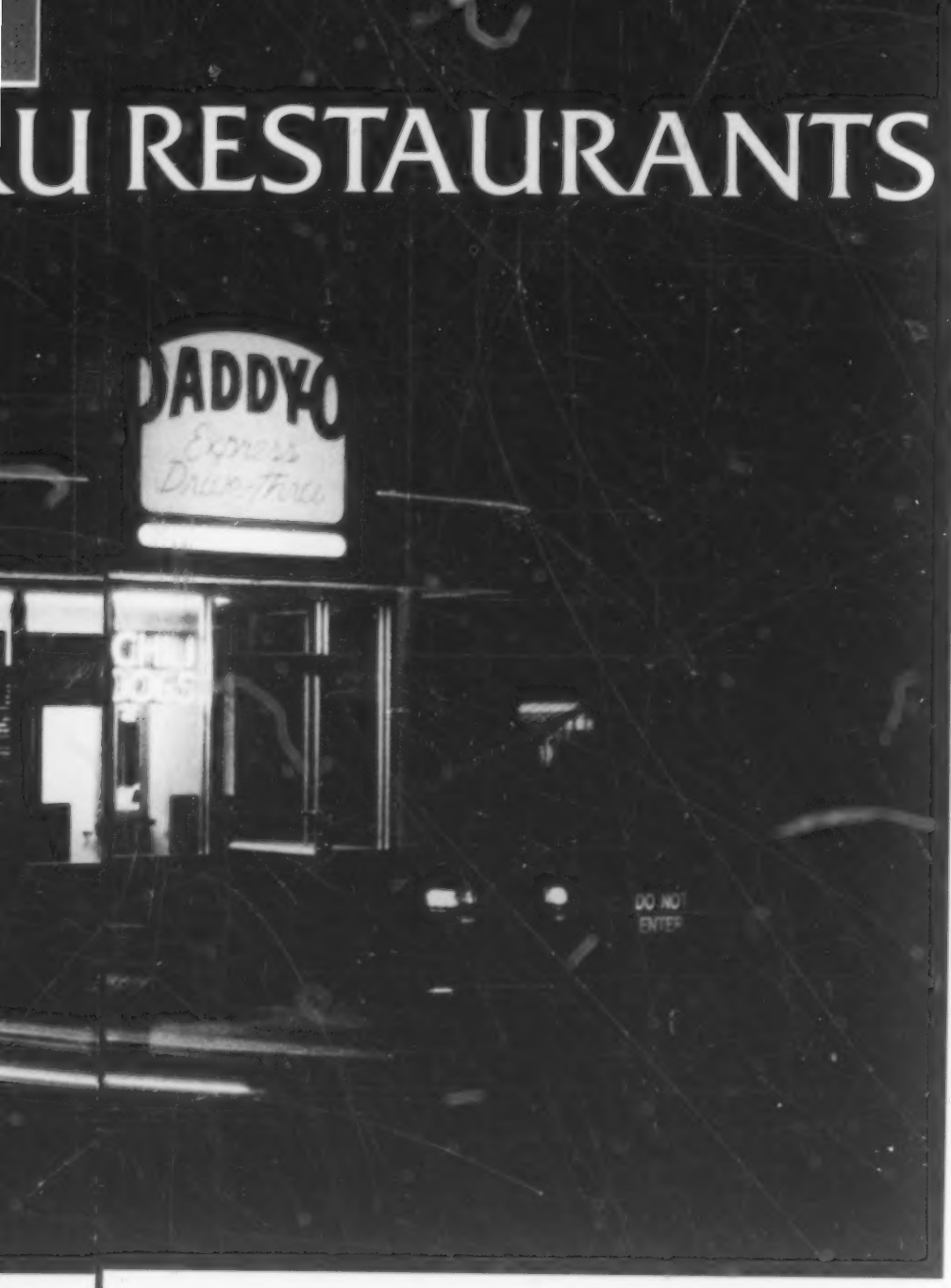
If drive-thru service is what today's convenience-minded customer demands, then a double drive-thru must be more of a good thing. In response to the need for speed, many franchise operators have invested in the double drive-thru concept. For some, the double drive-thru merely increases speed of service; for others, it helps make the most of a small location.

A quick definition

Simply stated, a double drive-thru is a restaurant that has two drive-thru windows or drive-thru service lanes. But franchise operators have found more than one way to carry out the concept.

Houston-based Two Pesos is a Mexican-food chain that uses a combination of sit-down dining and double drive-thru service to satisfy customers. Most Two Pesos restaurants provide approximately 150 seats for guests in a dining room and a double drive-thru for guests on the go. A mini-version of the restaurant, known as Two Pesos II, is strictly double drive-thru, with a small amount of patio seating for those who want to park the car and eat at a table.

One unique feature of the Two Pesos concept is the carriage system that delivers food to the outside drive-thru lane. The two drive-thru



lanes at each restaurant are parallel and on the same side of the restaurant. One lane is served directly at the window, while the other is served by a conveyor belt that carries food on a track over the heads of those in the first line. The method is similar to service at the outside lane of a drive-thru bank. A customer's order is delivered in a basket, and the customer places money in a tray on the basket.

"The carriage system is a gimmick," says Don Malone, a district manager of Two Pesos in Houston. "People choose the outside lane just to watch their food come over the conveyor belt." According to Malone, Two Pesos has even jazzed up its unique method of delivery by illuminating the outside lane with Christmas lights to attract customers.

Small-site double drive-thrus

A different double drive-thru setup is used by Louisville, Kentucky–based Rally's and by Checkers, a drive-thru-only chain based in Clearwater, Florida. These hamburger chains use the "twin" method of operating duplicate service windows on each side of a small building. Popular in the Southeast and on the West Coast, Checkers has recently opened three restaurants on Chicago's South Side and plans to operate 24 units throughout the area by the end of 1992. In addition to the two drive-thru windows, Checkers restaurants feature two walk-up windows, as well as outdoor patio seating.

According to T.J. Singer (president) and Charles Lamb (chief operating officer) of Chicago Double Drive-Thru, Inc., between 15 and 20 percent of Checkers' business is walk-up, with all the remaining revenue generated by drive-thru customers. "Our concept puts the 'fast' back in fast food," says Singer. Checkers' double drive-thru-only restaurants deliver quick food at a relatively low price necessary to capture the drive-thru market. According to Singer, Checkers is not in the business of providing a "dining experience." The objective of the double drive-thru concept is to satisfy the customer's demand for fast, uncomplicated service.

When the focus is drive-thru

Speed is the number-one goal of most double drive-thru restaurants. According to Ronald Petty, president and CEO of Miami Subs, studies indicate that customer satisfaction diminishes rapidly if a drive-thru meal is not delivered within four minutes.

One way of delivering food within that time frame is to keep the menu limited. Daddy-O's Express Drive-Thru restaurants, an Atlanta–based chain recently purchased by Arby's, keeps their menu short and simple so as not to impede speed of service.

"We serve hamburgers, chili dogs, chicken sandwiches and chili—and that's about it," says Tom Whitley, senior vice president of marketing for Daddy-O's franchising. "We service most of our customers at a rate of 30 seconds or less." Most Daddy-O's have two drive-thrus and a walk-up window, as well as a five-foot by 20-foot dining area with a counter and four stools. Whitley attributes the speed of service to, among other things, ease of ordering and preparation that are the result of an uncomplicated menu.

Beyond barking

Although speed is of the essence, many double drive-thru establishments are committed to hospitality as well. Checkers lists friendly service as paramount to the success of its double drive-thrus. When business is predominantly drive-thru, the customer may feel the transaction is an impersonal "barking" of directions through a speaker and may miss the more personal touch of an over-the-counter transaction.

"We address this concern by constant supervision of window personnel," says Charles Lamb of Checkers. Employees are continually reminded to extend hospitality so that customers don't feel alienated.

According to Malone of Two Pesos, order accuracy is another factor that takes on greater importance in the drive-thru business. When a mistake is made inside a restaurant, a customer may simply return to the counter to fix the problem. But if an error is made at a drive-thru, the customer usually reaches his or her point of destination before discovering the order is wrong. To the disgruntled customer, a missing taco may not justify a return trip to the store, but the customer will certainly be annoyed—sometimes permanently—with the establishment.

Ron Petty of Miami Subs also believes that correctness of orders is key to the success of a double drive-thru. According to Petty, inaccuracy can be more damaging than the improved speed is beneficial. "If a small amount of speed needs to be sacrificed for increased accuracy, it should be done," he says.

Other issues that double drive-thru establishments must consider are packaging, portability of food and heat retention. Customers will not sacrifice quality for a quick meal. In fact, customers are expecting better quality these days.

Traffic patterns are also a part of double drive-thru planning considerations. Double drive-thrus have more cars coming and going at the same time, and access must be quick and easy. "Our goal is to keep people on the parking lot as little as possible," says Graydon Webb, managing director of franchising at St. Louis-based Zipps Drive Thru, Inc. Zipps, located in six states, has one service window on each side of a 650-square-foot building. According to Webb, Zipps views a car on the lot as "renting space." Speed of service and easy entry and exit more quickly frees space for new "renters."

One final consideration unique to double drive-thrus is scheduling staff to most economically operate two windows or lanes. According to Petty of Miami Subs, duplicate staffing would be wasteful during many operating hours. "The largest payback of a double drive-thru occurs during peak hours," says Petty. "The trick is to determine the time of day staff can be cut back or when the second window or line should be closed."

Real estate efficiency

One of the most attractive aspects of the double drive-thru business is the small amount of real estate required to establish and operate the business. For a traditional fast food establishment with one drive-thru window, the addition of an eight-foot lane on the other side of the building brings a relatively high return on investment. Double drive-thru-only restaurants, which don't even require a parking lot, have minimal total real estate requirements that are hard to rival for any retail business.

"Basically, a double drive-thru-only is a kitchen without a dining room," says Webb of Zipps Drive Thru, Inc. "The space requirements are drastically reduced, overhead is reduced, and ultimately, prices can be reduced." Webb estimates that a double drive-thru-only building takes approximately one-half to one-third the square footage of a conventional fast food restaurant.

Singer and Lamb of Checkers agree. "We can squeeze into places other businesses couldn't possibly fit," says Singer. He comments that the small size requirement offers the flexibility to penetrate markets where previously a fast food establishment could not go. Double drive-thrus can be built on real estate that is not considered prime because a double drive-thru-only can be located out on a shopping-center pad without obstructing the view of other stores.

Construction costs, too, can be low. Beefy's, Inc., of Nashville, Tennessee, takes advantage of the small space requirements of a double drive-thru by using modular buildings that can be constructed at the site in less than a week. Beefy's has almost 30 locations in seven states.

"We can use the modular approach only because we are a double drive-thru and our building requirements are so simple," says E.F. Griswold, director of franchising services for Beefy's. The company saves money on construction and offers consistency and easy recognition to its patrons. Even the inside of a Beefy's building is created for efficiency. Equipment and work stations are strategically located to facilitate processing orders as smoothly as possible.

"We don't want people bumping into each other," says Griswold. According to Griswold, order processing moves in a semicircle instead of crisscrossing back and forth. The grill is next to sandwich prep so that meat does not need to be carried 10 feet to be made into a sandwich.

Daddy-O's of Atlanta is also engineered around order-processing efficiency. According to Whitley of Daddy-O's, the insides of its buildings are engineered for the double drive-thru concept.

"We build our kitchens around the grill like a plane is built around an engine," says Whitley. With professional engineering assistance, Daddy-O's kitchens were designed to leave no wasted space. The entire operation is built in assembly-line fashion so that employees can be expected to meet a service rate of 30 seconds or less per car.

Exit

The double drive-thru concept is returning fast food to its roots, with low-priced fare and quick service at the top of the agenda. By operating drive-thrus in duplicate, establishments are delivering fast food more quickly—without sacrificing quality, accuracy or friendly service. ❑

Mary Follin is a freelance writer in Falls Church, Virginia.

SHOPPING-MALL RESTAURANTS

Restaurateurs and retailers are joining forces for a symbiosis of success.

by Dorothy Dee

Americans love shopping malls. Americans love good food. It's no wonder, then, that good food and shopping malls got together. The surprise is in the way the two concepts have grown together.

In the early days of shopping malls, shoppers had scant opportunities for food on the premises. The culinary options available were about as limited as those at a high school football stadium: hot dogs off the grill, maybe a pretzel from a vending cart or lunch-counter fare in the resident drug store. The mall was certainly not the place to open a fine-dining restaurant.

But these days, shopping malls are cornucopias of epicurean delight. Food courts and midscale restaurants offer a quick fix of everything from frozen yogurt to exotic ethnic foods. Fine-dining mall establishments employ skilled chefs who prepare the type of haute cuisine associated with a night on the town. Mall developers are sometimes willing to offer financial inducements to lure fine restaurants as tenants.

Destination restaurants

Whether midscale or fine-dining, restaurants have become important keys to drawing crowds of customers to mall sites after shopping hours—when retail centers might otherwise be dormant.

Hemmings is an upscale restaurant located in the Saddle Creek Center in Germantown, Tennessee, an affluent suburb of Memphis. The center boasts about 50 shops and also includes restaurants such as Ruby Tuesday, Silver Spoon and L&N Seafood. Hemmings is a dinner-only establishment serving nouvelle American cuisine, and owner Paul Westphal says the 125-seat restaurant performs a

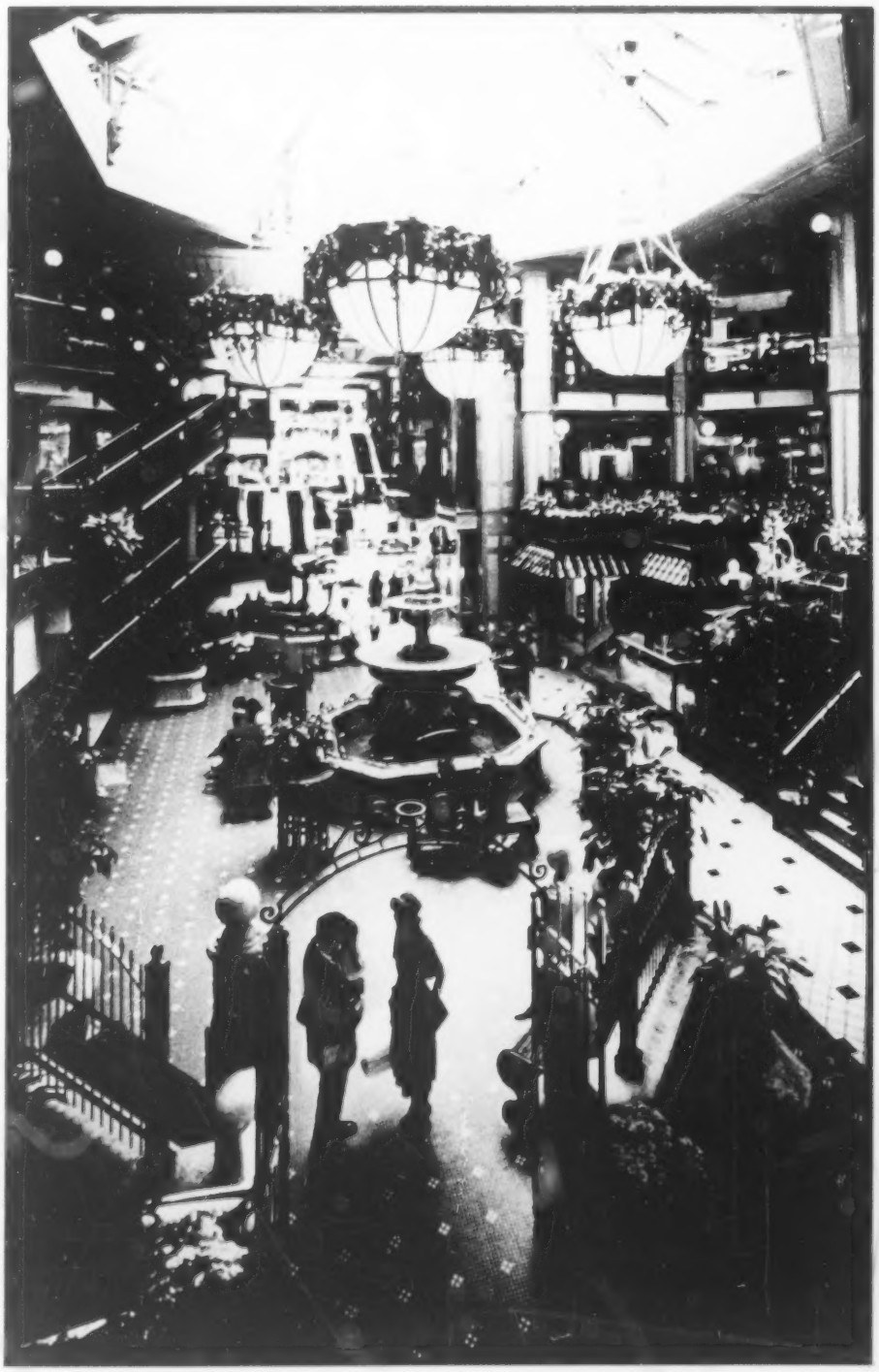


Photo courtesy of Georgetown Park

role for the mall. "We are a destination restaurant, and we attract traffic for the mall's small specialty stores," he says. Hemmings, it seems, has found an upscale home in the mall.

In Southern California, the 100-seat St. Estephe restaurant in Manhattan Beach is part of the Manhattan Village Shopping Center, which draws affluent customers from Beverly Hills, Encino and Manhattan Beach. These diners pay an average of $120 for a dinner for two and $40 for lunch to dine on signature items such as steamed salmon on a bed of shallot cream sauce, with purees of sorrel and red chiles.

In Chicago, midscale restaurant Tucci Benucch, located in the 900 North Michigan Avenue Mall, reports that dinner sales (which reflect neighborhood popularity) are way above expectations. In this 175-seat restaurant, which resembles a home in the Italian countryside, diners have the option of eating in one of several rooms: the bedroom, living room, kitchen, mudroom, sunroom or patio. General Manager Eric Engle says, "We thought it would mainly be lunch business—the shoppers and businesspeople. Dinner was our biggest surprise. We didn't realize that people would be going out to a mall for dinner."

All three of the above restaurants have been part of the movement that has pushed mall dining beyond the concession-stand level.

Developers may be looking for you

Because of America's love of dining out, savvy developers have determined that a high-quality restaurant can be as important as a popular department store to the success of a mall. "We want a restaurant mix that will complement our market and be a place that our customer will be comfortable with," says Terry McEwen, president of the commercial real estate company Poag & McEwen in Memphis.

Quality, price and the existing restaurant mix are important considerations for The Rouse Company of Columbia, Maryland, when looking for a restaurant for a development site. "We look for a quality operation,"

> Restaurants have become keys to drawing crowds to malls after shopping hours.

says Cathy Lickteig, vice president and director of corporate public affairs for The Rouse Company. Other key factors in recruiting restaurant tenants include the experience level of a restaurateur and the freshness of a restaurant's concept. "You also look for something you don't have," says Lickteig. "If you are in an urban area, you want to round out your ethnic mix."

When considering a shopping-mall site, restaurateurs must consider the goals of a project's developers. Specifically, developers may seek to boost a mall's image to upscale by adding fine dining to its retail mix. Developer Terry McEwen says, "We like to supplement [a mall] with a fine-dining restaurant like Hemmings that will draw people from all over." Developers are interested, for instance, in drawing customers from hotels and from out of town; Hemmings is a restaurant that serves that purpose. "We get a lot of business entertainment customers there," says McEwen. "We get people that might not normally shop at the center because they live far away. Because of the restaurant they will make a trip there."

McEwen says that Hemmings' elite customers window-shop through the center after a meal and are a factor in attracting potential tenants to the center. "They [the stores] are exposed to the better-income customers of the restaurant on a regular basis."

What developers may give

How much could it be worth to a developer to have a fine restaurant in the mall? It may be worth enough for them to offer restaurateurs a deal. Developers seeking to attract the right restaurant will sometimes offer financial incentives. These might be in the form of construction funds to erect the restaurant or to improve the existing structure. Developers may also contribute to the FF&E (furniture, fixtures and equipment) package.

Bill Allen, president of the restaurant division of Errant Enterprises in Northbrook, Illinois, adds that tough times for developers may mean that additional incentives are available. "Developers are having a difficult time of it," Allen says. He notes that the type of deals offered to Errant Enterprises lately "are a lot more flexible than they were a couple of years ago." Negotiable elements cited by Allen include the amount of money malls are willing to invest in projects, their willingness to negotiate terms like per square foot costs and the percent of sales that an operation must pay the mall.

When Actuelle co-owner Clive O'Donoghue leased space in Dallas' Quadrangle four years ago, he was attracted to the space's spectacular glass-enclosed atrium. "This is a most unique space," says O'Donoghue. "Restaurants are attracted to malls because the developer might do something special and you could get into a space at a price that otherwise you might not get."

The lure of the suburbs

Another possible advantage of a mall location is the fact that malls are often "built where the money is." Errant Enterprises operates three concepts in five locations in the Chicago area, and all are in shopping malls. "We made a conscious decision to go into more upscale areas in order to minimize economic downturns," says Bill Allen. He adds that the company avoided the wintertime blues because of the mall locations. "All of our restaurants did above-average projections over the holidays. If we had not been in mall locations and had missed out on those five weeks of increased sales, our sales would have been much lower."

Suburban shopping sites are often situated on prime real estate, amid affluent communities where median incomes may run from $50,000 to $70,000. "Our draw is geography," says developer Terry McEwen of the Saddle Creek mall in suburban Mem-

phis. "We are in the heart of the best income of the Memphis market." If a developer has done the proper homework with regard to planning a mall in the right part of town, then the favorable demographic location can help a tenant restaurant, too.

Another practical consideration is parking. Restaurants need parking, and many shopping malls have it—especially after hours when a restaurant needs it most. According to Bob Lerner, vice president of retail services of the Washington DC commercial brokerage firm Smithy Braedon, "The suburbs are the hottest thing [for restaurants] in the last 10 years, and parking is what drives it."

Mall drawbacks

Once a shopping mall is established, restaurant locations are limited—and that is one of the difficulties of opening a shopping-mall restaurant. Lerner points out that a restaurant usually can't pay as much rent as a jewelry store can, so the landlord takes the restaurant and puts it where less-costly land is. As a result, says Lerner, "The restaurateur will not get in the center. He may be put on a pad—detached and out on the highway."

Space considerations are an important factor affecting The Rouse Company's search for quality restaurants to enhance the existing retail mix of their developments. Cathy Lickteig of The Rouse Company, which has 80 retail properties across the country, says, "You don't have your choice of space. You can't move somebody else to accommodate the restaurant. You have to work with the space available. Other special considerations are ventilation and whether or not the restaurant will bother neighbors with noise or crowds."

Operating in a shopping mall may have some artistic drawbacks such as having to live within the decor constraints of the shopping complex. Management at Tucci Benucch, however, was able to negotiate with the landlord for creative leeway. Eric Engle says, "We got some freedom that allowed us to vary the restaurant's appearance from the rest of the mall. For instance, awnings throughout the mall are solid green, whereas our awnings have vines going through them." In general, however, restaurateurs may have trouble obtaining variances from shopping-mall landlords.

Developers may seek to boost a mall's image to upscale by adding fine dining to its retail mix.

The urban mall

Although the suburbs are hot, they are not the only game in town. Mixed-use complexes in the midst of urban areas with access to mass transit are attracting retailers, restaurateurs and legions of customers.

A big change in the last few decades has been the "upscaling" of many shopping malls. In addition to restaurants and retailers, some mixed-use complexes sport hotels, floors of office space and sometimes even luxury condos. These built-in traffic generators are likely to benefit all building tenants and offer restaurateurs a good base of customers for all meal periods.

The 900 North Michigan Avenue Mall in Chicago's glitzy "Gold Coast" neighborhood exemplifies the mixed-use urban complex with a hotel. The mall, which is anchored by Bloomingdale's and Henri Bendel, includes the Four Seasons Hotel (with its four foodservice operations), Tucci Benucch, the Claim Co., Carnegie Deli, Boden Sourdough Bakery, movie theaters and a number of retailers. This mix of retailers generates an amount of activity that far exceeds that of the traditional "open 10 to 6" shopping mall. Jill Gosden, senior director of marketing for the Four Seasons, says, "Our hotel guests enjoy the benefit of the mall and its restaurants. The mall enjoys the benefits of our hotel guests, and we enjoy the benefit of shoppers patronizing our restaurants."

Gosden notes that the hotel works with other restaurants to give them business when Four Seasons restaurants are full. Similarly, Tucci Benucch manager Eric Engle says, "We have a great rapport with the concierge of the Four Seasons and other hotels in the neighborhood. On a personal basis, I meet the concierges and invite them to our restaurant. We are also open and receptive to getting their people in on Saturday night."

Restaurants take over the mall

Part of a new mall formula put forth by developers is to make malls into entertainment centers instead of just shopping outlets. Bursting onto the scene recently are malls boasting entertainment, restaurants and retail components such as the new mixed-use urban complex in Phoenix known as Arizona Center.

This downtown 18-acre project incorporates office space (in two buildings) and retail space, half of which is a 75,000-square-foot restaurant and entertainment section.

A key attraction motivating residents from suburban areas to travel to the downtown area is the dining and entertainment area, which offers an array of restaurants and clubs, including a sports bar, sing-along bar, variety club, daiquiri bar, espresso bar and cafe, and a large country-western club.

Tom Fitzpatrick, senior leasing representative for The Rouse Company says, "Collectively this is a destination site, and it is restaurant-driven. We knew it would be hard to motivate people to drive 20 to 25 minutes past 10 malls just to shop." Consequently, the restaurant-based mall concept was chosen.

Shopping-mall dining has come a long way, but a mall location alone is no guarantee of success for the restaurateur. In fact, as shopping malls continue to pervade urban areas, restaurant competition in malls will continue to increase. Consequently, all the usual rules for restaurant success will apply. Knowledge of the market, assessment of the competition and the ability to offer a fresh concept will be as important as the location. ❑

Dorothy Dee is the owner of Written Well, a writing and public relations firm in Bethesda, Maryland.

CHOICE ALTERNATIVES FOR LEAN TIMES

COOKING WITH LOW-COST CUTS OF MEAT

Humble cuts of meat, prepared with skill, are moving to the center of the plate—with no apologies from the chef. These cuts win top marks for flavor and nutrition while helping chefs cut food costs to the bone.

by Toni Lydecker

What do braised lamb shanks, grilled pot roast and a pork ragout have in common? All are winning the kind of star billing on menus that used to be reserved for a tenderloin steak or veal loin chop.

On a recent "green sheet" (a weekly report on meat prices), the lamb shanks, beef chuck and pork shoulder used to make the above menu items weighed in at less than $1.50 per pound. Prices in that range are as welcome as a party of free-spending conventioneers on a Tuesday night to worried chefs and owners looking for ways to contain food costs.

Expanding a menu's range of meats beyond high-priced, sought-after prime meats can also be accomplished through more economical product utilization. Operators can still order convenient, portion-cut meat, but they also have the option of "fabricating" a whole shoulder of beef or leg of lamb in the kitchen by cutting it up for use in several different ways.

There are reasons besides cost trimming for the current popularity of restaurant dishes made with cheaper cuts of beef, lamb, pork and veal. Chief among these reasons is the extraordinary range of dishes that can be made. "With an expensive cut, you tend to keep the preparation simple to show off the meat's flavor and texture," says restaurateur Drew Allen, of Liberty Bar in San Antonio, Texas. "You have to do more things to cheap meat to extract the flavor—and often the results are more interesting."

From down-home to elegant

All over America, chefs are getting creative with modest cuts of meat. Take pork, for instance. Chef Edna Lewis of Gage & Tollner in Brooklyn uses smoked pork shoulder, "streak-of-lean" or smoked bacon in her 13-bean soup. The recipe, which appears in her cookbook *In Pursuit of Flavor*, is simple, hearty and down-to-earth. Carolyn Buster, chef and co-owner of The Cottage in Calumet City, Illinois, opts for sophistication in a ragout that combines modestly priced pork loin with extravagant truffles and an exotic blend of seasonings including cumin, Szechuan peppercorns and tamarind paste.

Mike Gray, chef of the Hanover Inn in Hanover, New Hampshire, has used a similar idea. As part of a recent menu he placed plain and fancy on the same plate in his unusual lamb duo. To stretch expensive grilled rack of lamb, he served two chops rather than four, filling out the entree with two pieces of cross-cut, braised lamb shank.

Inexpensive cuts are also effectively used in various ethnic and regional dishes that extend meat with beans, vegetables, salad greens or grains. Cassoulet, the hearty French dish made with white beans, pork loin, pork sausage, bacon and lamb shoulder, is one example. Lamb sate salad, too, uses meat sparingly, compared with a traditional entree of a chop or steak. For the restaurateur, less meat means more food-cost savings. For the customer, less meat translates into a lower fat intake.

And there is another plus on the nutritional side: Many low-cost cuts are not well marbled and their fat is often trimmable or, once cooked, skimmable. For example, a U.S. Department of Agriculture table tallies just 4.9 grams of fat for a 3½-ounce serving of eye of round, compared with 9.9 grams for an equivalent portion of tenderloin.

Perhaps the lower fat content explains why braised and stewed dishes are no longer viewed as "for cold weather only." When served with lighter seasonings and sauces, and with side dishes of fresh seasonal vegetables, these dishes remain popular straight through the summer months.

Creativity in the kitchen

Because inexpensive cuts lack the fat that guarantees tenderness and flavor in more costly meats, chefs must use seasonings and an array of cooking techniques to accomplish the same goals. Braising, stewing, poaching and grilling are four classic cooking techniques that, when matched with the right cut, work well for low-cost meats. (See sidebar on page 34.)

In addition, chefs are devising their own strategies for working with these challenging cuts. Some braise the

meat, then grill or stir-fry it briefly just before serving. Smoking a meat lends a special taste and tenderness to some cuts—especially pork. Some restaurants purchase the meat smoked, while others do the smoking in-house. The process of corning (in which meat is boned, trimmed, seasoned and cured) can offer a meat unique taste. Corning preserves meat as well as rendering it tender, and the technique can be used on pork shoulder as well as beef.

Unlike prime cuts that might go to the table with a sauce on the side or just a wedge of lemon, most inexpensive cuts would appear dried-out and unattractive without a sauce. Robust sauces that begin with a roux are most common, but chefs can elect to produce a lighter sauce with low-cost meats just as easily as with any other meat. The long-simmered stocks and juices that result from stewing, braising or poaching can be reduced to make a richly flavored sauce. Thickening agents could be the gelatin released by the meat bones, a thin slurry of flour and water, or a puree of cooked vegetables.

Stews and spicy seasoning

A top seller at Liberty Bar is Southern pot roast, made from a recipe of Fannie Mae Jackson, a longtime cook at the San Antonio restaurant. "We can't take it off the menu," says chef/owner Drew Allen. "Fannie has to make it every day."

Jackson cooks two four-pound roasts at a time, for a total of about 20 portions. The chosen cut is inside round, with the fat trimmed off. Garlic slivers are inserted in the meat, and it is then rolled in flour, salt and pepper, and browned in olive oil. Carrots, onions and potatoes cut into large pieces are placed around each roast; half a bottle of red wine and enough water to barely cover the roast are added, and the meat simmers slowly for about an hour and a half.

Using any cut of round or chuck, Liberty Bar also serves a carbonnade of beef. Guinness stout, an ale that the restaurant has on tap, is added to a roux of ham fat or olive oil. The stout tenderizes the meat just as wine would, but it also adds a rich brown color and distinctive flavor.

Carne guisada, a traditional Texas dish, consists of beef chunks—again, round or chuck—stewed in a mild green chile sauce, then served over Spanish rice.

Liberty Bar's Pinto Pig combines pork cubes from a lean cut such as shoulder with black beans, onion, serrano and poblano chiles, and a Mexican herb called epazote. Enough water is added to make the mixture soupy, and excess liquid is spooned off to cook rice. The beans and pork mixture is served over the rice and topped with a cooked sauce of tomatoes, onions and hot green chiles. A garnish of avocado and radish completes the dish.

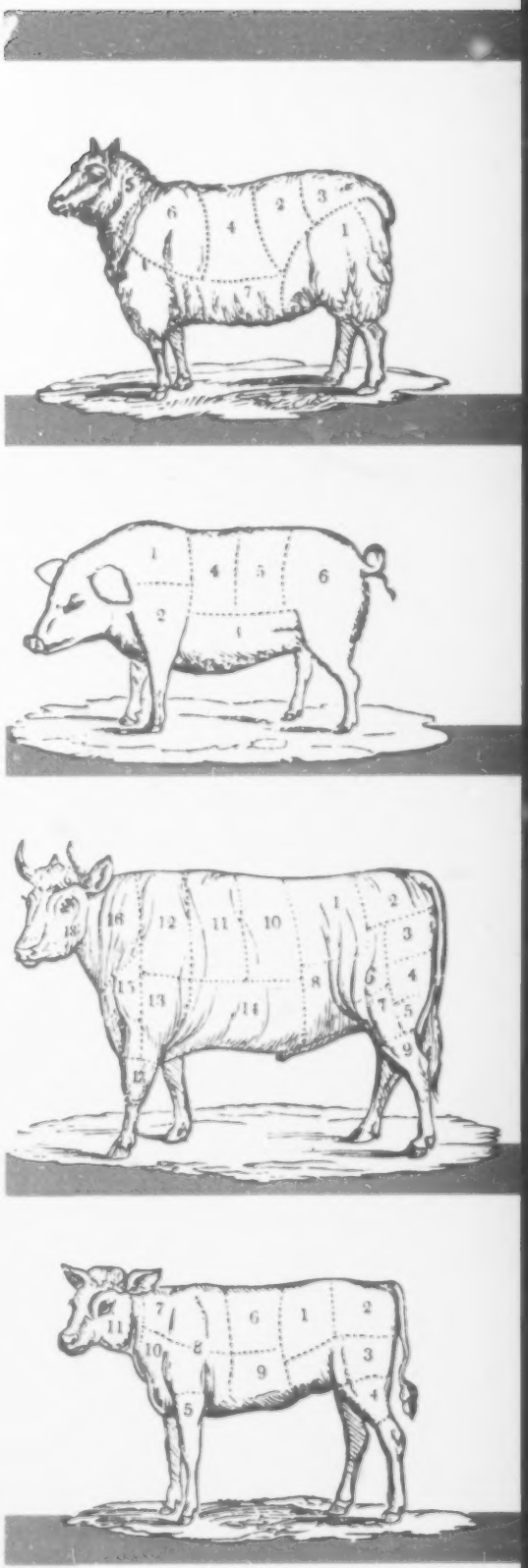
Allen sometimes butchers a veal quarter or half right in the kitchen. Once cuts such as steaks, shanks and roasts have been cut, the staff uses the round and leftover bits of meat for such dishes as a veal and *ancho* (a mild red chile pepper) stew. Bones are used for making stock.

Modest menu mainstays

Pot roast is a menu mainstay at The Eccentric, a Lettuce Entertain You Enterprises restaurant in Chicago, but The Eccentric's version is quite different from that of Liberty Bar. The meat used is the tri-tip, a foodservice-only cut from the bottom sirloin butt. The meat is braised in red wine and stock until tender, and then it's sliced and grilled.

The extra step gives the dish a more elegant presentation and intensifies the flavor, according to Russell Bry, corporate chef and partner. Mashed potatoes whipped with horseradish, a signature dish of The Eccentric, are a natural accompaniment, along with carrots, onions, celery and pot roast gravy. The pot roast is served through the summer, with lighter sides of sauteed vegetables and a small salad.

The high cost of veal *scaloppine* makes the Roman dish *saltimbocca* a dish for deep pockets only. Bry applies the same idea to more modestly priced hickory-smoked pork loin chops, which are wrapped in prosciutto and sage leaves, then panfried. Accompaniments are red cab-



bage and mashed potatoes seasoned with garlic and fennel. Also on The Eccentric's menu is a grilled double-smoked pork chop with spinach greens and warm black-eyed pea salad.

Like Liberty Bar's Allen, Bry finds it economical to do some fabrication of veal and lamb in The Eccentric's own kitchen. From a leg of lamb, he gets three dishes. The main portion is tied off for a slow-roasted leg of lamb. The shank is braised and incorporated into a filling for spinach ravioli, and the inside round is sliced into lamb *scaloppine*.

Shortcuts to defatting

The extra work involved in trimming fat and connective tissue from inexpensive cuts could counteract any savings. But Cindy Pawlcyn, partner and executive chef of the restaurant company Real Restaurants in Sausalito, California, has found ways to cope with problematic cuts such as the breast of lamb or veal. The fat is easier to remove, she says, once the meat has been braised or poached and then chilled. If braised, the cleaned breast is cut into portions, coated with mustard and bread crumbs, and grilled. If poached, the meat is pulled off and used in a salad or stew.

Braised lamb shanks, covered with a cinnamon-seasoned tomato sauce and accompanied by couscous, are served at Bistro Roti, one of the company's restaurants. At another, Fog City Diner, oxtails braised in a rich veal stock with capers and sun-dried tomatoes are popular. Beef short ribs, braised in a mixture of stock and tangy barbecue sauce, are another specialty. Short ribs are also on the menu at the restaurant BIX. At BIX, vinegar is added to a red-wine braising liquid "to counteract the richness of the beef," according to Pawlcyn.

"Lamb hams" are made by curing pork shoulders; the method is similar to that used for prosciutto. The restaurant also smokes several cuts of pork, using oak, applewood or pear. At Mustards Grill in Napa Valley, pork shoulder is barbecued in a hot smoker until fork tender. "It makes a great sandwich," says Pawlcyn. Bacon, dosed liberally with pepper, is also smoked at Mustards Grill. At Bistro Roti, smoked ham hocks are shredded and combined with a tomato sauce to make a filling for buckwheat pancakes.

House-cured corned beef

The corned-beef hash served at Atlanta's Buckhead Diner is not the "mush" customers might expect, says Gerry Klaskala, chef and managing partner of the diner. First of all, the restaurant corns its own beef. Second, the meat and vegetables are cubed, not minced, so that the ingredients retain their separate identities.

Lamb leg steaks are easily prepared and sell well. Cut from the round end of the leg, the steaks are marinated in olive oil with fresh mint, rosemary, garlic and black pepper, then grilled. Braised lamb and veal shanks go over well, especially in cold weather. Sometimes the shanks are cut crosswise, as for *osso bucco*, and sometimes the shanks are cut lengthwise.

Klaskala used to have trouble with cheaper cuts of pork. "The problem is that customers won't eat it pink," says Klaskala. "So unless you use tenderloins, it requires a lot of timing to cook it past that point but not dry out the meat." Buying cured or smoked pork loins solved that problem for Klaskala. The processes leave the meats tender and well flavored, so that they need to be cooked only briefly. The chops are plated with polenta, fresh spinach and cranberry relish.

Far from disdaining cheap cuts as inferior, Buckhead Diner's kitchen staff enjoys the challenge of working with them. "The trend to these meats is like a breath of fresh air," says Klaskala. "It's more creative than working with goof-proof cuts that don't require a lot of skill." ❑

Toni Lydecker is a freelance writer in Irvington, New York.

Four classic ways to cook cheap cuts

Braising. This technique usually begins with slow, thorough browning of the meat along with chopped vegetables such as onion, carrots and celery. Once excess fat has been drained, liquid such as stock or water is added to partially cover the meat. Wine, prized for its tenderizing properties as well as distinctive flavor, is often part of the braising liquid. Herbs and other seasonings are added at this point, and the meat simmers slowly in a heavy covered pot until tender.

Tough but naturally flavorful cuts of beef, such as chuck roast, come into their glory when braised. The moist heat allows complex flavors to develop while dissolving gristle and softening tough tissue.

Stewing. The method is similar to braising, but the meat is submerged. Depending on the meat chosen and the seasonings, the result might be a Hungarian goulash encrusted with paprika and caraway, or a delicate veal ragout. If the meat is cut into cubes or other small pieces before cooking, care must be taken to trim away all external fat and sinew.

Poaching. The New England boiled dinner is a classic example of this technique, but the name is really a misnomer, for the meat and other ingredients must be simmered gently—not boiled—to become tender. The liquid might be water or flavored stock. In the French *pot-au-feu* and Italian *bollito misto*, beef, pork and other meats are added at different times to the liquid. A soup is made from the broth and served as the first course; the meats and vegetables are served as the second. Poached meats can also be sliced after cooking and bathed in a vinaigrette to become the centerpiece of a salad.

Grilling. Many inexpensive cuts can be grilled successfully if they spend some time in a marinade beforehand. In the case of lamb leg or riblets, which are naturally tender, the purpose is merely to add flavor. For most other inexpensive cuts, marinating is essential to tenderize the meat. To maximize surface area for the marinade's tenderizing action, tough cuts should be cut first into thin slices or cubes. The marinade can be wine-based, or it may be a mixture of oil, herbs and vinegar or lemon juice. A dry rub of herbs and spices will also help tenderize meat.

#115

Thanks, Professor

Dear Professor,

As parents of an HRI student who studied under your tutelage and who now is about to graduate, we want to express some things to you as we review the recent past.

When our son first walked into your classroom, he was both drawn to you and intimidated by you. You represent a pinnacle in your chosen field, and you inspired riveted attention and unshakable concentration with every word you uttered. Your words of wisdom were read time and time again in study sessions. To our student and his colleagues, you are on a pedestal not because you stepped there, but because they placed you there. At the same time, our son was at first reluctant to leap from the sea of anonymity that a large, crowded classroom affords, for fear of making a mistake, thereby being demeaned in your eyes and suffering the disassembly of a fragile ego. On occasion, he lost the name-list lottery by having you call on him—his first exposure to heart-stopping panic.

The first year he came home complaining bitterly that your only mission in life was to convince the class how brilliant you are and how stupid they were, as opposed to conveying the knowledge you possess to them in a manner that they could master. The second time he came home, he was sure you conspired to pile as much work on him as possible so he could not enjoy his vacation. You actually required him to do something for which he would be held accountable and against which his performance would be measured. The third time he came home, he was livid because your standards were such that you demanded proper grammar, correct spelling and excellent utilization of the English language in quantitatively grounded courses. He complained that in the qualitatively based courses you demanded clear and cogent exposition and presentation even though the material occasionally was technical and complex.

Now that he is about to graduate, he has remarked on the ease with which he can interface with you and the obvious mutual respect you have for one another. He gives you credit for maturing so well and so fast as a teacher in such a short span of time.

During his time with you, his mother and I have noticed his transformation from a shoulder-shrugging, frequently inattentive, usually inarticulate, self-centered teenager to a concerned, responsible and forward-looking young adult. You opened his mind and expanded it, challenging his world and discomforting his self-satisfaction. You pushed him, pulled him and stretched him to boundaries he did not know he possessed.

You set standards which at first he mocked, but which he now readily embraces as his own. Sometimes he didn't particularly warm to you as a person, and on other occasions he idolized you. When we pressed him on this, he did admit that often he came to class looking for entertainment rather than a mental challenge, but he is now able to distinguish substance from style, looking at people more carefully now than in the past when he was prone to make superficial, rash judgments.

With your exacting demands, your penchant for accuracy and perfection, your requirements to think analytically as well as holistically, creatively as well as communally, you conveyed values to him—as well as knowledge.

A short while ago we entrusted to you our most cherished possession, our son, so you could mold, shape, build and refine his intellectual development. You have done a magnificent job. While his mother and I are enormously proud of our young adult, we realize fully that much of what he is and what he will become as he takes his place in our industry and our society is attributable to you.

When I was teaching, it was the tradition at our school that at the end of the last class the students would give the professor a standing ovation if they had enjoyed the course, benefited from it and—most important—gained knowledge and insight from it. I don't know whether you have ever experienced that, but I do want you to know that my wife and I now rise in admiration and appreciation to applaud all that you have done for our son and his peers—past, present and future.

Thank you, Professor.

We say again, thank you, Professor.

Sincerely yours,

Two grateful parents

Fisher's Law #115: Teachers and trainers can significantly impact the future of the world. You are never able to judge where their influence stops.

Simplified Quantity Recipes

Nursing/Convalescent Homes and Hospitals

by Mabel Caviani and Muriel Urbashich

The recipe for basic, well-balanced menus

To order this classic cookbook, send a check for $29.00 (nonmembers, $37.70) to the Publications Department, National Restaurant Association, 1200 Seventeenth Street, N.W., Washington, DC 20036. Mention order number FP783.

Mexican restaurants heat up

Chiles and salsa are not the only things that are hot in Mexican restaurants. Customer counts are growing. In 1990, Mexican restaurant traffic rose more than 10 percent, driven mostly by quickservice Mexican places.

According to CREST,* Mexican restaurant traffic advanced more than 10 percent in 1990, versus a 2 percent advance for the industry as a whole. Traffic growth is hot, especially at quickservice restaurants. Quickservice Mexican restaurant traffic was up 13 percent in 1990, with the New England and Mid-Atlantic regions showing particularly sharp traffic gains, as Mexican restaurants become more common in those regions. This healthy 1990 gain came on top of a 14 percent advance in 1989.

Also posting traffic gains in 1990 were moderate-check upscale (considered casual dining) Mexican restaurants. In 1990, moderate-check upscale Mexican restaurant traffic increased 9 percent, and the New England, South Atlantic, and West South Central regions in particular posted large traffic gains. In 1989, customer counts posted healthy gains as well, as traffic advanced 8 percent—a similar traffic increase as for moderate-check upscale restaurants.

However, with the exception of the Mid-Atlantic region, midscale Mexican restaurant traffic did not fare as well in 1990, as customer counts declined slightly after posting gains the previous year. In 1989, midscale Mexican restaurant traffic increased 7 percent.

According to CREST, quickservice Mexican restaurants captured two-thirds (68 percent) of all Mexican restaurant traffic in 1990, up substantially from a 62 percent share in 1987. Between 1987 and 1990, midscale Mexican restaurants' share of total Mexican traffic dropped 5 percentage points to 13 percent, and moderate-check upscale Mexican restaurants' share dropped slightly to 19 percent.

CREST stands for Consumer Reports on Eating Share Trends, *a diary survey of one of the NPD marketing and research companies.*

Majority have tried Mexican food

According to the National Restaurant Association's *The Market for Ethnic Foods*, three-quarters (74 percent) of adults had tried Mexican food in the past, and 41 percent had eaten it in the past month, ranking Mexican food as the third most popular ethnic food, following Chinese and Italian (other than pizza). Moreover, when respondents were asked to choose their favorite out of a list of 19, one-quarter chose Mexican.

The survey also asked consumers to rate their favorite Mexican restaurant. The top four characteristics of consumers' favorite Mexican restaurants were (in order): friendly people and service, high standard of cleanliness, high quality of food and speed of service. In contrast, consumers emphasized size of portions and freshness of ingredients in their favorite Italian restaurants, and portion size and menu variety in Chinese restaurants.

High use of promotions

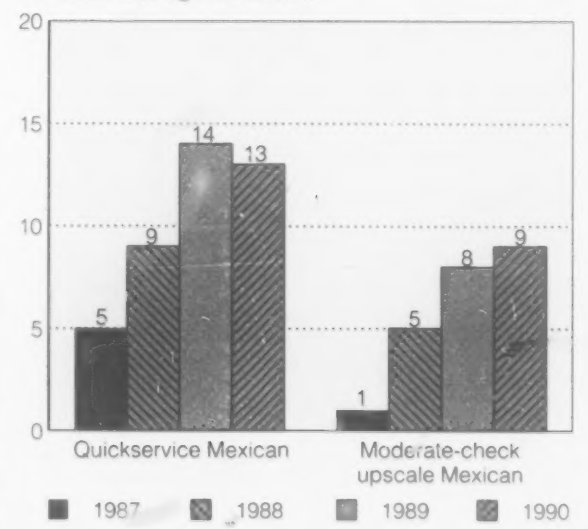
One explanation for the recent surge of quickservice Mexican restaurant traffic may be the accelerated use of promotions. In 1987, promotions were used on 16 percent of all quickservice Mexican restaurant eater occasions,** lower than the 19 percent for the quickservice industry. However, by 1989 a full one-quarter of quickservice Mexican restaurant eater occasions included a promotion, mainly in the form of restaurant specials. This compares with 21 percent for the quickservice industry as a whole.

Similarly, a higher proportion of eater occasions at moderate-check upscale Mexican restaurants involved the use of a promotion when compared with the overall moderate-check upscale segment. In 1989, 16 percent of moderate-check upscale Mexican-restaurant eater occasions included a promotion, compared with 13 percent for all moderate-check upscale eater occasions. On the other hand, midscale Mexican restaurant eater occasions involved a slightly lower rate of promotional usage. In 1989, 11 percent of midscale Mexican restaurant eater occasions included a promotion, compared with 14 percent for all midscale establishments.

Between 1987 and 1989, the average check size per person at quickservice Mex-

Mexican restaurant traffic pattern 1987 to 1990

Traffic growth at Mexican restaurants has increased steadily



Note: *Percent change is over prior year.*
Source: NPD/CREST Annual Household Reports

Incidence of ordering Mexican food items at Mexican restaurants, 1989

Tacos were most popular at quickservice Mexican establishments

Food item	Percent of eater occasions on which item was ordered		
	Quickservice Mexican	Midscale Mexican	Moderate-check upscale Mexican
Tacos	55%	26%	20%
Burritos	32	19	14
Enchiladas	3	28	31
Other Mexican	24	55	59

Note: *Eater occasions may include more than one food item per order.*
Source: NPD/CREST Annual Household Report, 1989

Average check size at Mexican restaurants 1987 to 1989

Quickservice and moderate-check upscale Mexican establishments have posted minimal or no increases in check sizes

	1987	1988	1989
Quickservice Mexican	$2.62	$2.70	$2.59
Total Quickservice	2.56	2.69	2.80
Midscale Mexican	4.87	5.08	5.15
Total Midscale	4.28	4.43	4.59
Moderate-check upscale Mexican	7.10	7.27	7.31
Total Moderate-check upscale	7.38	7.42	7.72

Source: NPD/CREST Annual Household Reports

ican restaurants declined, giving these establishments an advantage among value-conscious consumers. In 1989, quickservice Mexican restaurants had an average check size per person of $2.59, a slight decrease from 1987. In contrast, between 1987 and 1989, the fast food industry witnessed a 9 percent increase in average check size, advancing to $2.80. At moderate-check upscale Mexican restaurants, the average per person check of $7.31 in 1989 compared favorably with the $7.72 average check for all moderate-check upscale establishments. Midscale Mexican establishments showed an average check size per person of $5.15 in 1989, higher than the $4.59 for total midscale.

***An eater occasion is one meal eaten by one person.*

Off-premises traffic share up slightly

In 1989, slightly more than half (53 percent) of all quickservice Mexican traffic was off-premises, up slightly from 51 percent in 1987. The proportion of off-premises traffic was lower in quickservice Mexican restaurants than in pizza restaurants (68 percent) or Asian restaurants (79 percent), but higher than for hamburger restaurants (51 percent). A smaller portion (14 percent) of midscale Mexican restaurant traffic was off-premises, and there was little off-premises traffic (2 percent) in moderate-check upscale Mexican places.

Contrary to what occurred in the quickservice sector as a whole, on-premises traffic at quickservice Mexican restaurants fared better than off-premises. In 1989, off-premises traffic increased 13 percent, while on-premises advanced 16 percent. Carryout orders were the driving force in the off-premises traffic gain, as these orders jumped more (18 percent) than drive-thru (10 percent).

Lunch popular

In 1989, more than half (53 percent) of quickservice Mexican restaurant traffic was for lunch, compared with 37 percent for the quickservice industry as a whole. Four in 10 (39 percent) eater occasions were for dinner, 6 percent were for evening snacks and 2 percent were for breakfast. Moreover, customer counts during lunch posted significant advances. In 1989, quickservice Mexican restaurant lunch traffic increased 23 percent. Breakfast traffic, although a very small share of total traffic (2 percent), increased 33 percent.

Dinner captured the majority of midscale Mexican restaurant traffic (56 percent) in 1989, and lunch represented 36 percent of traffic. Two-thirds (66 percent) of moderate-check upscale Mexican restaurant traffic was for dinner and one-third (30 percent) for lunch.

The National Restaurant Association's menu analysis,*** which examined changes in menu items over five years (from 1985 to 1990), reveals that the number of Mexican entrees offered in tableservice restaurants has grown. In 1990, the number of Mexican entrees offered on menus was up 36 percent from 1985. However, the representation of Mexican entrees in the overall entree mix remained the same (7 percent). Of particular note was the increase in the number of taco salads and enchiladas offered on menus.

Profile of a Mexican-food eater

According to *The Market for Ethnic Foods*, those most likely to have tried Mexican foods were living in households with incomes of more than $25,000, and residents of metropolitan areas with populations of less than 250,000. Additionally, a special 1988 National Restaurant Association/CREST study revealed that eater occasions during which Mexican food is ordered are slightly more likely to involve females (53 percent) and those be-

****This information was taken from an analysis of randomly selected menus submitted to the National Restaurant Association's Great Menu Contest. Fifty menus were from 1985 and 50 from 1990.*

tween 18 and 44 years of age. In 1988, six in 10 eater occasions (59 percent) involving Mexican food were by 18 to 44-year-olds.

Increase in number of franchised Mexican restaurants

According to the International Franchise Association's *Franchising In the Economy 1988–1990*, the number of franchised Mexican restaurants was estimated to total 4,926 in 1990, up from 4,407 in 1988. Mexican franchised restaurants represented about 5 percent of all franchised restaurants, unchanged from 1988 to 1990. Also, between 1988 and 1990, it was estimated that sales at Mexican franchised restaurants increased 14 percent, reaching $3.4 billion in 1990.

How to order *The Market for Ethnic Foods*

A copy of *The Market for Ethnic Foods* (CS969) is available to association members for $27.50 and to nonmembers for $55 including shipping and handling charges (overseas orders require a 20 percent surcharge). All orders must be prepaid.

You may order the report by sending a check or money order to the association's publications department, 1200 17th Street, NW, Washington DC 20036-3097. For credit-card orders, call the association's information services and library between 9 a.m. and 5 p.m. (Eastern Time) at (800) 424-5156 or (202) 331-5960 in Washington DC.

Black-owned eating and drinking-place firms: 1987

This article examines the state of black-owned eating and drinking-place firms. Although they represent a relatively small proportion of total eating and drinking-place firms, their sales nearly doubled between 1982 and 1987.

The number of business firms owned by blacks increased 38 percent from 308,260 in 1982 to 424,165 in 1987, and sales from these firms more than doubled to $19.8 billion over the same period. Eating and drinking-place firms made up 3 percent of all black-owned enterprises. The number of black-owned eating and drinking-place firms advanced 3.8 percent between 1982 and 1987 (from 11,406 to 11,834), while their sales nearly doubled from $619.1 million in 1982 to $1.1 billion in 1987.

Eating and drinking-place firms accounted for more than 5 percent of all sales from black-owned firms, making them the sixth-largest business in terms of sales among all types of black-owned firms in 1987.

Census data indicate that nearly 4 percent of all eating and drinking-place firms were under black ownership in 1987.

Not just mom and pops

A substantial proportion of eating and drinking-place firms under black ownership appear to be "mom and pop" establishments where there are no paid employees. Of the 11,834 black-owned eating and drinking-place firms in 1987, 60 percent had no paid employees. This proportion is down from 1982, when 70 percent of black-owned eating and drinking-place firms reported having no paid employees.

The number of black-owned eating and drinking-place firms with paid employees increased dramatically, advancing 41 percent from 3,365 firms in 1982 to 4,747 in 1987. At the same time, the number of black-owned eating and drinking-place firms without paid employees dropped 12 percent from 8,041 in 1982 to 7,087 in 1987. The number of eating and drinking-place firms with paid employees ranked fifth among all black-owned businesses in the number of firms that had paid employees.

A large employer

Aside from being one of the largest businesses in the number of firms with paid employees, eating and drinking-place firms were also one of the largest employers among all black-owned firms in terms of number of paid employees. The number of paid employees at eating and drinking-place firms under black ownership nearly doubled from 1982 to 1987, rising 95 percent from 16,562 to 32,343. This increase made eating and drinking-place firms the second largest black-owned business type (behind business-service firms) in terms of paid employees, as they accounted for 15 percent of paid employees of black-owned firms in 1987.

On the average, black-owned eating and drinking-place firms had 6.8 paid employees in 1987, up from 4.9 paid employees in 1982. Black-owned eating and drinking-place firms were smaller in terms of employ-

Growth in black-owned eating and drinking-place firms, 1982 to 1987

Sales and paid employees grew substantially for black-owned eating and drinking-place firms between 1982 and 1987

Measure	1982	1987	Percent change
Number of firms			
Total	11,406	11,834	3.8%
With paid employees	3,365	4,747	41.1
Sales*			
Total (in thousands)	$437,183	$918,321	110.1
Per firm	$129,921	$193,453	48.9
Per paid employee	$ 26,397	$ 28,393	7.6
Paid employees	16,562	32,343	95.3
Employees per firm	4.9	6.8	38.8

*includes only firms with paid employees

Source: U.S. Department of Commerce, Bureau of the Census, *1987 Survey of Minority-Owned Business Enterprises: Black*

Operating ratios for black- and nonblack-owned eating and drinking-place firms, 1987*

Black-owned eating and drinking-place firms posted higher sales per employee than did nonblack-owned eating and drinking-place firms

Ratio	Black-owned	Nonblack-owned
Sales per firm	$193,453	$289,152
Sales per employee	$28,393	$26,189
Employees per firm	6.8	11.0

**includes only firms with paid employees*

Source: U.S. Department of Commerce, Bureau of the Census, *1987 Survey of Minority-Owned Business Enterprises: Black*

ees per firm than those owned by nonblacks, which had an average of 11.0 employees per firm. Although they had smaller staffs, eating and drinking-place firms with black owners had higher sales per employee than did those with nonblack owners—$28,393 compared with $26,189.

Eating and drinking-place firms with paid employees accounted for 85 percent of sales for all black-owned eating and drinking-place firms in 1987, up from 71 percent of sales in 1982. By comparison, 94 percent of total nonblack-owned eating and drinking-place firm sales came from establishments with paid employees in 1987.

Total receipts for black-owned eating and drinking-place firms more than doubled from $437 million in 1982 to $918 million in 1987. By comparison, receipts at black-owned eating and drinking-place firms without paid employees declined from $182 million in 1982 to $166 million in 1987.

Moreover, sales per firm were more than eight times higher for eating and drinking-place firms with paid employees than for those without—$193,453 compared with $23,444. Per firm sales also grew more substantially between 1982 and 1987 at black-owned eating and drinking-place firms with paid employees than at those without—49 percent compared with 4 percent.

Payroll advanced with employment

Along with the increase in the number of employees in black-owned eating and drinking-place firms has come a large increase in payroll for those employees. Payroll among black-owned eating and drinking-place firms more than doubled from $81.4 million in 1982 to $204.7 million in 1987. Payroll per employee advanced 29 percent from 1982 to 1987, and payroll per firm grew 78 percent. As a percent of sales, payroll jumped from 18.6 percent in 1982 to 22.3 percent of sales in 1987.

Payroll per employee among black-owned eating and drinking-place firms was equal to that for those owned by nonblacks in 1987, but payroll per firm was substantially lower. This is probably because of black-owned firms having fewer employees per firm than nonblack-owned firms, thereby resulting in lower payroll costs. Payroll as a percent of sales was also somewhat higher for eating and drinking-place firms owned by nonblacks at 24.2 percent.

—Nancy Michalski

1990 annual CREST report

Customer traffic counts advanced a healthy 1.7 percent in 1990—the highest industry growth recorded since 1987. This compares with a growth of 1.4 percent in 1989 and a slight 0.5 percent rise in customer counts in 1988.

Traffic highlights

Two out of the three industry segments recorded traffic increases in 1990. Quickservice restaurants led the way with a 2.4 percent growth in customer traffic. This is double the 1.2 percent traffic growth recorded for quickservice establishments in 1989. Double-digit traffic increases were recorded for Asian (up 15.4 percent), Mexican (up 13.3 percent) and barbecue (up 11.7 percent) restaurants in the quickservice segment. Food stores (up 7.9 percent), other sandwich (up 6.8 percent) and chicken (up 5.4 percent) establishments also recorded impressive gains in customer counts for the year. Hamburger restaurants, the largest category in the quickservice segment in terms of customer counts, saw traffic decline 1.0 percent for the year.

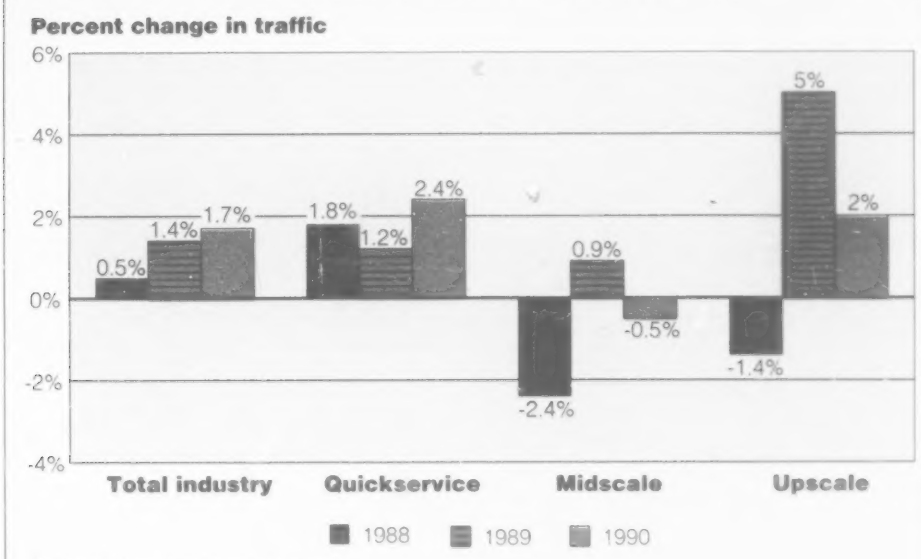
Upscale restaurants also showed traffic growth, posting a 2.0 percent rise in customer counts in 1990. Moderate-check upscale restaurants drove the increase, as traffic increased 4.7 percent. Moderate-check barbecue, Italian, steak and hamburger restaurants all recorded double-digit increases in customer counts. Varied-menu concepts were the only moderate-check upscale establishments to record a traffic decline in 1990. Higher-check upscale restaurants posted a 6.4 percent loss in customer traffic for the year. Declines in traffic among higher-check upscale restaurants in the Italian (down 12.0 percent), steak (down 12.0 percent), varied-menu (down 9.7 percent) and hotels (down 5.9 percent) categories contributed to the decline in customer counts for the higher-check upscale category.

Midscale restaurants were the only group to register a customer loss for 1990, as traffic declined a modest 0.5 percent. This represents the second drop in customer traffic in three years. Healthy traffic advances among family-style (up 10.0 percent), fish/seafood (up 5.5 percent) and Asian (up 5.3 percent) concepts almost offset traffic declines among barbecue (down 12.2 percent), hotels (down 7.8 percent) and sandwich (down 5.5 percent) restaurants.

All three meal periods registered traffic advances for 1990. Supper led the way with a 2.8 percent rise in customer counts for the year, followed by breakfast and lunch, which recorded advances of 2.4 percent and 1.3 percent, respectively. Supper-time traffic growth of 3.7 percent at quickservice restaurants and 2.9 percent at upscale restaurants offset a modest 0.2 percent decline in supper customer counts at midscale restaurants. Upscale restaurants posted the largest increase in lunch traffic (up 2.7 percent), while quickservice restaurants posted a more modest 1.6 percent rise in lunch

Percent change in customer traffic by segment* (1988 to 1990)

Industry traffic growth hit a three-year high in 1990



*percent change over previous year

Source: *NPD/CREST Annual Household Report*

traffic. Lunch traffic at midscale restaurants was flat for the year.

Quickservice restaurants single-handedly drove breakfast* traffic increases, as counts increased 3.5 percent, offsetting declines in breakfast traffic at both midscale (down 0.2 percent) and upscale (down 6.1 percent) establishments.

On-premises traffic advanced a modest 0.3 percent in 1990. This follows a 0.2 percent rise in 1989 and a 0.6 percent decline in 1988. On-premises traffic grew the most at upscale restaurants, where counts advanced 1.9 percent for the year. On-premises traffic inched up 0.1 percent at midscale restaurants and was flat at quickservice restaurants. Both lunch (up 1.1 percent) and supper (up 0.2 percent) showed on-premises traffic growth for the year, while on-premises customer counts fell slightly (down 0.3 percent) at breakfast.

While on-premises traffic grew at a snail's pace for the second consecutive year, off-premises traffic continued to advance by larger margins. Total off-premises traffic advanced 3.4 percent in 1990, compared with 3.0 percent in 1989 and 1.9 percent in 1988. Advances in off-premises traffic at upscale (up 5.0 percent) and quickservice (up 4.0 percent) establishments offset weakness in midscale off-premises traffic, where counts were down 4.0 percent for the year. Breakfast recorded the largest increase in off-premises counts among the three meal periods—up 7.8 percent. Supper and lunch off-premises traffic grew by more modest amounts—up 5.6 percent and 1.7 percent, respectively.

*Segment breakfast traffic also includes a.m. snack traffic

Average check size

The average check per eater rose 2.3 percent in 1990 to $3.88. This is the smallest advance in average check size since 1987 and follows increases of 3.6 percent in 1988 and 4.1 percent in 1989. Midscale restaurants posted the largest increase in the average eater tab—up 3.1 percent to $4.73 per person. The average check size at quickservice restaurants rose 2.9 percent in 1990 to $2.88 per person. Upscale restaurants recorded the smallest increase in average check size in 1990—up 0.8 percent to $9.54 per person.

Breakfast recorded the largest increase in average check size of the three meal periods for the second consecutive year. The average eater check at breakfast rose 2.8 percent to $2.62 per person. The average lunch tab rose by a more modest 2.5 percent to $3.63 per person, and supper checks rose 1.7 percent to $5.04 per person.

Promotions

Promotion usage continued to grow in 1990. Promotions were used on 20.8 percent of all occasions in 1990, up from 18.4 percent of occasions in 1989. Quickservice restaurants led the three segments in terms of promotion usage, as deals were a part of 23.3 percent of all quickservice occasions in 1990, up from 20.9 percent in 1989. Promotion usage also continued to grow at both midscale and upscale establishments. Promotions were used on 16.2 percent of all midscale dining occasions and 14.8 percent of upscale occasions in 1990, up from 13.6 percent and 13.0 percent of occasions, respectively, in 1989.

Supper was the meal for which deal usage was most common in 1990. Deals were used on 27.3 percent of all supper occasions in 1990, up from 23.8 percent of occasions in 1989. Lunch deal usage rose to 19.1 percent of occasions in 1990, up from 17.0 percent of occasions in 1989. Deal usage also increased at breakfast, up to 16.9 percent of occasions in 1990 from 14.7 percent of occasions in 1989.

—*Nancy Michalski*

Recession and foodservice

Higher unemployment, low consumer confidence and depressed levels of economic activity are just a few of the indications that the nation's economic expansion has ended.

In the current climate of economic uncertainty, a National Restaurant Association survey indicates that tableservice operators consider maintaining their volume of business a top problem in 1991. Moreover, most tableservice operators do not expect lending conditions to ease this year.

After eight years of uninterrupted economic growth, the nation's economy slipped into recession sometime during the summer of 1990, according to the National Bureau of Economic Research (NBER). NBER, an independent nonprofit organization that is regarded as the standard determiner of recessionary periods, has indicated that it will soon pinpoint a month between June and September of 1990 as the onset of the nation's latest recessionary period. The NBER action will only confirm what a host of economic indicators, business analysts and association research have shown to be a period of depressed economic activity. So how does the foodservice industry perform in recessionary times? To answer this question, it may be helpful to review some statistics on the performance of the economy and the foodservice industry in prior recessions.

A historical perspective

According to NBER, the national economy has undergone four recessionary cycles since 1970, excluding the current economic slowdown (see table). The duration of these four prior recessions ranged from six to 16 months. A recession is generally defined as two or more consecutive quarters of decline in real gross national product (GNP).

A review of key economic indicators since 1971 reveals that real annual GNP declined in 1974, 1975, 1980 and 1982. These years coincide with recessionary periods. Since the growth of real disposable income on a per capita basis is generally regarded as an important factor in foodservice sales, a historical look at this key economic indicator is also helpful. Real per capita disposable income posted declines in 1974, 1980 and 1982. As with GNP, these annual declines coincided with recessionary periods.

National Restaurant Association data show that annual foodservice sales since 1971 have posted real declines only two times—in 1974 and in 1980. These two declines coincided with recessionary periods. However, in the 1982 recessionary period the foodservice industry continued to show modest positive real growth.

The recent environment

Until the summer of 1990, the U.S. economy was enjoying the longest peacetime expansion in its history. However, consumer concern over the economy, fueled by the Persian Gulf crisis, exacerbated an already softening economy in 1990.

Consumer confidence, as measured by the Conference Board's Consumer Confidence Index, plunged in August and October 1990 and remained at historically low levels as 1991 began. The confidence index for January 1991 fell to a level only slightly above that recorded at the bottom of the 1980 recession.

Real disposable personal income on an annual basis peaked in July 1990 and declined through November 1990. Real GNP growth on an annual basis dropped 2.1 percent in the fourth quarter of 1990 based on early estimates—down from a 1.7 percent advance for the first quarter of 1990.

The civilian unemployment rate, which hovered around 5.3 percent during the first half of 1990, slowly rose over the second half of the year and exceeded 6 percent at year's end. By January 1991, unemployment stood at 6.2 percent, almost a full percentage point above a year earlier.

Credit standards tighten

More than two out of five tableservice operators expect their financing to be more difficult in 1991

Percent of operators expecting financing to be	Annual sales volume: Less than $500,000	$500,000 to $999,999	$1 million or more
Harder	41%	46%	43%
Same	22	21	22
Easier	10	8	9
Don't know	27	24	26

Source: National Restaurant Association, *Tableservice Trends: 1991*

Recessionary periods 1970 to present

Prior recessions have ranged from six to sixteen months in duration

Beginning	End	Duration
December 1969	November 1970	11 months
November 1973	March 1975	16 months
January 1980	July 1980	6 months
July 1981	November 1982	16 months
June–September 1990*	NA**	NA**

**In spring 1991, NBER, an independent nonprofit organization that is regarded as the standard determiner of recessionary periods, will pinpoint the exact beginning month.*

***NA = Not Available*

Source: National Bureau of Economic Research (NBER), National Restaurant Association

Most important problems that tableservice operators report they face this year, by check size

Labor and maintaining volume of business top the list among operators

Dinner check size per person	Top four problems in 1991	Percent of operators reporting
Less than $8	1. Labor/finding qualified labor	38%
	2. Increased costs	18
	3. Increasing wages	14
	4. Maintaining volume of business	10
$8 to $14.99	1. Labor/finding qualified labor	32
	2. Maintaining volume of business	28
	3. Increased costs	21
	4. Inflation/recession/economy	16
$15 to $24.99	1. Labor/finding qualified labor	34
	2. Maintaining volume of business	28
	3. Inflation/recession/economy	18
	4. Increased costs	16
$25 or more	1. Maintaining volume of business	31
	2. Labor/finding qualified labor	25
	3. Inflation/recession/economy	19
	4. Increased costs	15

Source: National Restaurant Association, *Tableservice Trends: 1991*

and was at its highest level in more than three years. In addition, many local economies continued to operate at or near recessionary levels.

The American Financial Services Association reported that personal bankruptcies through the third quarter of 1990 continued their persistent rise. The Dun and Bradstreet Corporation indicated that business failures increased almost 15 percent in the first nine months of 1990 compared with the same period in 1989. In addition, Dun and Bradstreet noted that the 1990 increase in business failures came after three consecutive years of steady decreases.

With unemployment rising, real-income growth slowing and consumer confidence low, consumers reined in their large durable purchases for items such as automobiles during the second half of 1990. According to the Motor Vehicle Manufacturers Association, monthly unit sales of passenger cars and light trucks peaked in May 1990 and plummeted more than 37 percent by January 1991. It is important to note that as consumers decrease their large durable purchases, foodservice expenditures may actually be aided because there are fewer fixed charges against household income to limit the amount of cash on hand. Since foodservice is primarily a cash business, lower levels of durable purchasing can act to bolster consumers' foodservice expenditures, especially in a tougher economic environment. In addition, convenience-driven consumers continue to regard food prepared away from home as a necessity.

Consequently, the National Restaurant Association forecasts that in 1991 real foodservice sales should still advance a modest 0.6 percent to reach $248.1 billion. (See the December 1990 ***Restaurants USA*** for complete details of the association's 1991 foodservice industry forecast.) The 1991 figure is a slight improvement over 1990's projected 0.3 percent real increase in sales. In comparison, the foodservice industry frequently achieved real gains of 3 to 5 percent in the 1970s and early 1980s when the industry was less mature and in a higher-growth economic environment.

When consumers were asked in 1990 which two or three things they usually cut back on first when they need to curtail spending, a Roper Organization survey revealed that dinners at restaurants and entertainment outside the home were the first to go. Moreover, well-educated and affluent adults were more likely than average to cut back on their restaurant usage.

An indication of how the industry is faring comes from the association's monthly Foodservice Market Measure. The proportion of adults who were foodservice patrons on a typical day averaged 46 to 47 percent in November and December 1990, a significant decline from 51 percent in the first six months of 1990. After holding up fairly well in September and October, the proportion of adults who were on-premises patrons on a typical day in November and December dipped to the 32 to 33 percent level, a significant decline from the 37 percent average through the first half of 1990. (See Market Measure, page 44.)

The operator perspective

A National Restaurant Association survey conducted in fall 1990 provides some insights on tableservice operator concerns regarding current business conditions. Operators were asked what was likely to be the most important problem their business faces in 1991.

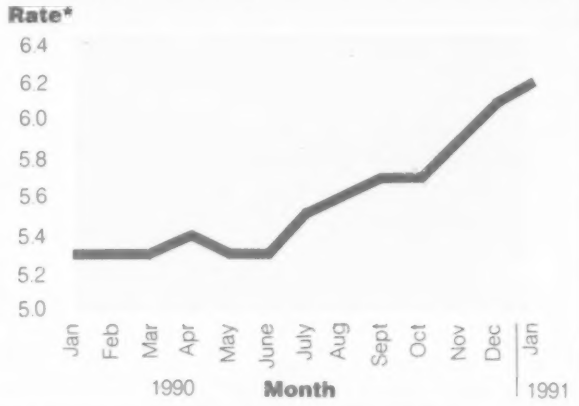
Approximately one-third of the tableservice operators cited labor and finding qualified labor as the most pressing issue this year. This problem is ranked first or second for each of the per person dinner-check categories from less than $8 to $25 or more.

However, maintaining volume of business is of significantly more concern to restaurateurs in the $8-or-more check category than it is to those with per person dinner checks averaging less than $8. In addition, the current state of the economy is viewed as a problem by a greater proportion of those with per person dinner checks of $8 or more.

A comparison of 1990 survey results with those of a similar survey conducted in 1988 reveal how operator concerns have changed in

Unemployment rate
January 1990 to January 1991

Unemployment has slowly risen since the summer of 1990

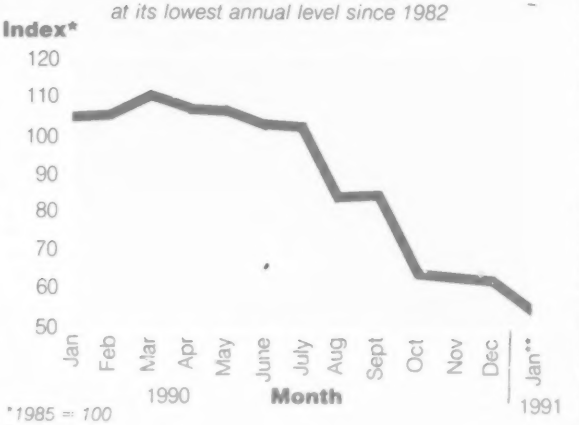


*as a percent of civilian labor force, seasonally adjusted

Source: U.S. Department of Labor, Bureau of Labor Statistics

Consumer confidence
January 1990 to January 1991

Consumer confidence for 1990 was at its lowest annual level since 1982

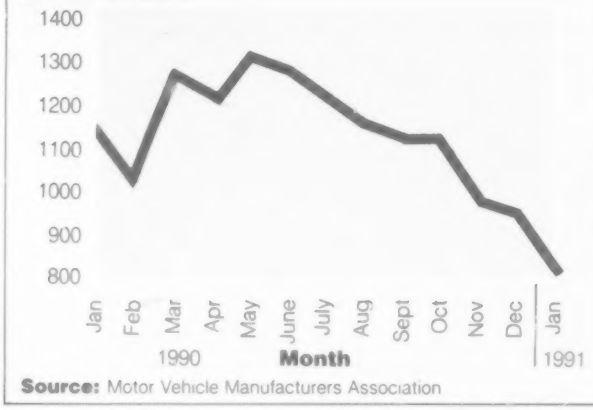


*1985 = 100
**preliminary

Source: The Conference Board

Passenger-car and light-truck sales
January 1990 to January 1991

As consumers grew more cautious in the second half of 1990, car and light-truck sales slackened



Source: Motor Vehicle Manufacturers Association

just two years. Inflation/recession/economy, mentioned in 1990 by 10 to 20 percent of respondents, was not cited by enough respondents in 1988 to be individually tabulated. Furthermore, the proportion of respondents concerned about sales and costs increased while those concerned about labor decreased.

Despite the fact that labor/finding qualified labor is the first or second concern mentioned by respondents, the proportion mentioning this problem has declined dramatically since 1988. As economic conditions have deteriorated in various parts of the country, demand for labor has slackened, which makes it easier to find employees. Nevertheless, nearly twice as many respondents are concerned about increased costs, despite the fact that the overall annual inflation rate has risen by slightly more than one percentage point since 1988. It is likely that increases in the federal minimum wage, coupled with rapidly rising oil prices at the time the interviews were conducted, had an impact on this response.

Tighter business credit

The association's 1990 tableservice operator survey confirms what the Federal Reserve Board has noted since the second half of 1990: Banks have tightened their credit standards. Consequently, most businesses, including restaurants, now find it more difficult to borrow money.

More than 40 percent of tableservice operators predict it will be more difficult to obtain financing in 1991. Just one out of 10 expected lending conditions to ease this year. Tighter business-credit conditions were anticipated this year by both large and small tableservice operators. For example, 41 percent of respondents with annual sales less than $500,000 expected it to be harder to obtain required financing, as did a virtually equal 43 percent of operators with annual sales of $1 million or more.

—Hudson Riehle

How to order

In addition to information on how tableservice operators perceive business conditions and the financing environment, *Tableservice Trends: 1991* explores a variety of topics pertinent to tableservice restaurants including customer satisfaction with service, casual dining and nutritional concerns. The report also includes the results of a Gallup consumer survey on the needs of tableservice customers and how various types of restaurants are responding, as well as a menu analysis investigating how menu offerings have changed over the past five years.

Tableservice Trends: 1991 costs $35 for members and $70 for nonmembers. To order, contact the association's information services department by calling (202) 331-5960 or (800) 424-5156.

Foodservice Market Measure—December 1990

After trending downward from September through November, the proportion of adults who were foodservice patrons on a typical day in December 1990 leveled off at 47 percent. Compared with the first half of 1990, when slightly more than half of all adults were foodservice patrons on a typical day, it seems clear that worsening economic conditions are having an impact on the incidence of industry patronage.

Lunch is the meal period where the decline in patronage is most evident. Although 30 percent of adults were foodservice patrons for lunch on a typical day in the first half of 1990, the proportion slipped to 24 percent in November and December.

A look at the demographics suggests that both men and women were less inclined to be lunch patrons in November and December than they were during the first half of 1990; the proportion who were lunch patrons was off five percentage points for each month.

A somewhat different picture emerges when lunch patronage by age is examined. Significant decreases in patronage have occurred among young adults 18 to 24 years old and among baby boomers, most of whom are between 25 and 44 years of age. In contrast, little change has occurred in the proportion of adults 45 years of age and older who are lunch patrons, despite deteriorating economic conditions.

On-premises versus off-premises

After declining in November, the proportion of adults who were on-premises patrons changed little in December. On-premises patronage averaged 32 to 33 percent in November and December, off from 37 percent in the first six months of the year.

Off-premises patronage averaged 18 percent on a typical December day—no change from November, but off from earlier in the year.

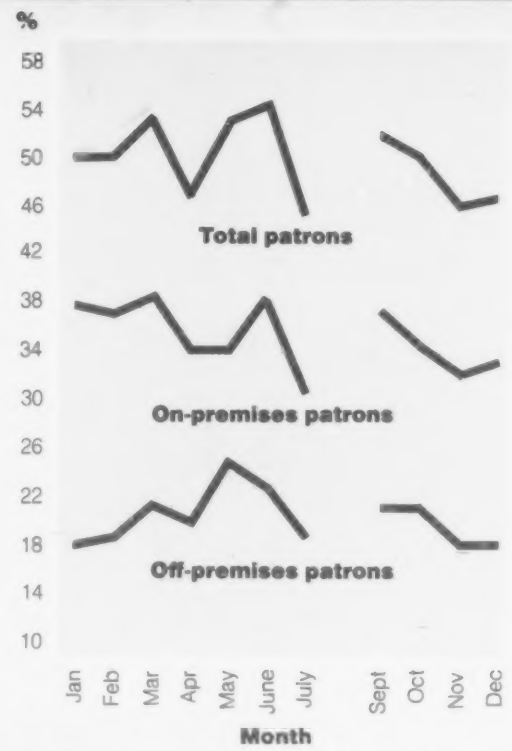
—Susan Mills

Percent of adults who were lunch patrons on a typical day

	January to June 1990	November to December 1990
Males	33%	27%
Females	26	21
18 to 24-year-olds	40	32
25 to 34-year olds	35	28
35 to 44-year-olds	30	23
45 to 54-year-olds	28	32
55 to 64-year-olds	24	22
65-year-olds or older	19	15
All adults	30	24

Source: National Restaurant Association Gallup Survey

Percent of adults who were foodservice patrons in 1990



Note: *Because of a Gallup error, there is no data for August 1990.*
Source: National Restaurant Association Gallup Survey

Foodservice Market Measure

The Foodservice Market Measure is based on 1,000 telephone interviews, conducted by the Gallup Organization each month, with a nationally representative sample of adults age 18 and older. Each person is asked the same questions:

1. Which of the following did you do yesterday?

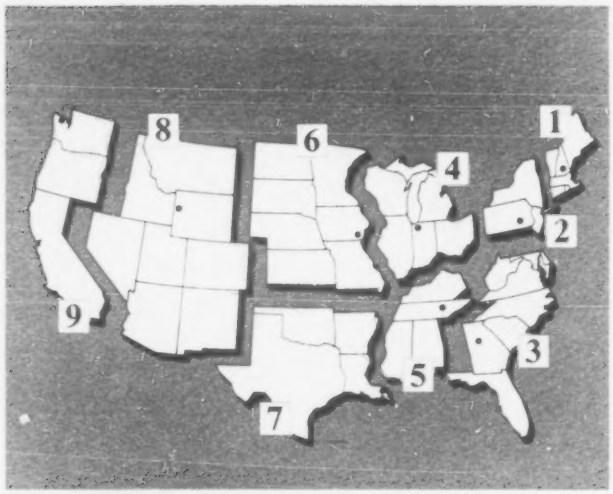
□ Ate on the premises of a restaurant, fast food place, cafeteria or any other place where you purchased a meal or snack.

□ Purchased takeout food "to go" or had it delivered.

2. Was the food you ate on premises yesterday for breakfast, lunch, dinner or a snack?

3. Was the takeout food you purchased or had delivered for breakfast, lunch, dinner or a snack?

The monthly tracking of purchases is supplemented by quarterly inquiries on topics of industry interest.



1 NEW ENGLAND

Location: Concord, NH
Association member: Robert Arnold
Operation: The Red Blazer Restaurant and Pub
Profile: Upscale restaurant
In business: 6 years
Seats: 200
Meals served: Lunch, dinner

Business has been soft this year at the Red Blazer, according to owner **Robert Arnold.** "We're probably down 10 to 15 percent from last year. The economy has hurt us, but we're also finding our beverage sales are down. People today skip the drinks to keep their check averages down," he says.

The Red Blazer is divided into two dining options—one side features prime rib, seafood and high-ticket menu items, the pub side offers patrons sandwiches, finger foods, appetizers and small dinners. "I've noticed that more and more people are going to the pub side and splitting a plate of nachos instead of ordering a prime-rib dinner," says Arnold. To entice diners to the restaurant side, Arnold has added a heart-healthy section to the menu.

Brunch business has increased by 40 to 50 percent since Arnold worked out trades with local TV and radio stations. "The advertising really helped draw in the people," says Arnold. Diners also enjoy early-bird specials seven days a week for $8.95.

2 MID-ATLANTIC

Location: Harrisburg, PA
Association member: Anthony Salomoney
Operation: Hope Station Restaurant
Profile: Upscale restaurant
In business: 5 years
Seats: 100
Meals served: Lunch, dinner

"Business is 10 to 15 percent off of last year's monthly gross—but at least it's stable," says **Anthony Salomoney,** owner of Hope Station Restaurant. Salomoney is keeping an even sharper eye on food cost, the payroll and operational expenses. He has also put off making major purchases for the time being. So far, he hasn't had to cut labor. "I've tried to spread out the burden of cutting back hours while keeping everybody working," says Salomoney.

Salomoney is also reducing radio and print advertising and using more direct advertising via in-house promotional material and a mailing list. "Right now, I am most interested in keeping regular customers coming back to us. A mailing list will allow me to be more targeted in my advertising," he says.

The building that houses the restaurant is more than 100 years old and was originally the Hope Station #2 firehouse.

3 SOUTH ATLANTIC

Location: Conyers, GA
Association member: Dan Hunsicker
Operation: Mamie's Kitchen Biscuits
Profile: Family-style restaurant
In business: 10 years
Seats: 40
Meals served: Breakfast, lunch

Until the weather warms up, business will remain slow at Mamie's Kitchen Biscuits, says manager **J.W. Pierce.** "It's just that time of year when people don't eat out much. But business will pick up in the summer," he says.

Pierce says the owners advertise occasionally in the local newspaper with coupon offers that usually result in a good return rate. "We don't need to advertise much, because we've been here 10 years and we're well established. We're like the neighborhood hangout," he says.

Mamie's is located in the middle of the business district and attracts professionals hungry for country-style breakfasts and dinners—and, of course, for the restaurant's homemade biscuits.

4 EAST NORTH CENTRAL

Location: Valparaiso, IN
Association members: Chuck, Caroline and Russ Adams
Operation: Strongbow Inn
Profile: Upscale restaurant
In business: 51 years
Seats: 400 including banquet facilities
Meals served: Lunch, dinner

The owners of the Strongbow Inn have noticed a strange phenomenon in their restaurant each time there is a recession or threat of one: their business goes up. "Our business has been great. Last year was our largest year ever," says Strongbow Inn co-owner **Russ Adams.** Adams operates the restaurant with his mother and father, **Caroline** and **Chuck Adams,** who bought the inn from his grandmother in 1968.

Turkeys could be seen dotting the land around the inn up until 1980. Now the Adams buy their turkey meat from two suppliers. "Our mainstay is turkey. We serve a complete turkey dinner, turkey Oscar, turkey dijon, turkey pies—we went through 130,000 pounds of birds last year," says Russ Adams. As business has grown over the years, so have the kitchen and dining rooms, which have taken over the small cabins in which patrons could spend the night back in the 1940s.

5 EAST SOUTH CENTRAL

Location: Cookeville, TN
Association members: Brenda and Mike Migliore
Operation: Bobby Q's
Profile: Family-style restaurant
In business: 8 years
Seats: 85
Meals served: Lunch, dinner

Atmosphere can make or break a restaurant, accord-

ing to **Brenda Migliore,** who co-owns Bobby Q's with her husband **Mike.** "We try to have a happy atmosphere—pleasant and laid back," she says. "People often comment on how happy our servers seem. They enjoy their jobs, and we make it a jolly place. If customers get the feeling that serving them is a pleasure, then they will want to eat in your place again."

Migliore draws her waitstaff from a pool of college students in her community. Each potential server begins by acting as a server's helper until he or she knows the job well. "We always train people before putting them out on the floor—you never just throw somebody out there. In order to give good service, your servers have to know their jobs," says Migliore.

Bobby Q's specializes in barbecue items and catfish and attracts a large chunk of the business crowd. "We get a lot of repeats because of the good service and the good food," she says.

6 WEST NORTH CENTRAL

Location: Mount Pleasant, IA
Association member: David Heaton
Operation: Iris Restaurant
Profile: Upscale restaurant
In business: 23 years
Seats: 250
Meals served: Lunch, dinner

"Everything was great, just great, until Thanksgiving," says **David Heaton,** owner of the Iris Restaurant. Then things "took a pause," he says. "Since the Middle East crisis and with the uncertain economy, the customer is insecure about his future," says Heaton.

Heaton has raised menu prices because of higher food costs and has had to trim employee hours with another jump in the minimum wage coming. "Here the tip-credit regulations are still the old way; I may have to trim some more hours off," he says.

The restaurant offers diners a diverse American menu with salmon, steak, prime rib and chicken items. As his customers grow warier, Heaton says he is making his advertising dollars go further by targeting his ads and using specifics about his food. "People get lazy sometimes with their ads and just put a general ad with their hours of operation and number in the dining section. That's money down the tubes these days. You've got to make your ads have punch, make them focused on your market," he advises.

7 WEST SOUTH CENTRAL

Location: New Orleans, LA
Association member: Wayne Pierce
Operation: Bon Ton Cafe
Profile: Mid to upscale restaurant
In business: 40 years
Seats: 114
Meals served: Lunch, dinner

At the Bon Ton Cafe, menu items are prepared in the old Cajun style of cooking, not the hot and spicy version that has gotten so much attention in recent years, says owner **Wayne Pierce.**

The restaurant, located on Magazine Street, draws its share of tourists, but local businesspeople also fill up the tables. The restaurant's friendly atmosphere helps attract diners, as do dishes such as Red Fish Bon Ton, Oysters Alvin and smothered eggplant with shrimp and crabmeat.

Renewed tourist interest in New Orleans has increased business recently, says Pierce, and he has not had to advertise yet to increase traffic.

8 MOUNTAIN

Location: Teton Village, WY
Association member: T.P. Mahin
Operation: Mangy Moose Saloon
Profile: Midscale restaurant
In business: 22 years
Seats: 200
Meal served: Dinner

The Mangy Moose Saloon's location, close to Grand Teton National Park, Yellowstone National Park and the Jackson Hole ski area, garners a lot of tourists for the restaurant. "Summertime is the busiest time, but we get a lot of people in the winter when they come here to ski," says **Steve King,** general manager of the restaurant.

Locals also enjoy coming to the Mangy Moose, but they tend to steer clear of the restaurant when it is packed with tourists, says King.

Competition for the tourist trade is always tough among the area's eating establishments, says King, and the Mangy Moose tries to lure diners in by giving them ample food for their money and by providing excellent service.

9 PACIFIC

Location: Port Angeles, WA
Association member: Diane Nagler
Operation: First Street Haven Restaurant
Profile: Midscale restaurant
In business: 14 years
Seats: 142
Meals served: Breakfast, lunch

To say that the First Street Haven Restaurant is cozy might be an understatement. The establishment is 10½ feet wide. "It's real cozy," says owner **Diane Nagler** with a laugh. "You have to have a good sense of humor to work here."

Although the waitstaff working at the First Street Haven might not have much room in which to maneuver, they do have a smoke-free environment. "This is such a small place that when I asked people as they came in if they wanted smoking or nonsmoking, they would laugh," says Nagler. Last August, Nagler made the place 100 percent nonsmoking and has not had one complaint. "I was a little worried, but the response has been wonderful," she says. She based her decision mostly on the health needs of her employees and because she felt the time was right for a completely nonsmoking operation.

Business has been up every year at the establishment, she says. Changing the menu frequently to include fresh flavors, such as those in Thai cuisine, helps jazz up the regular California eclectic menu. In the summertime, tourists waiting for the ferry to Victoria, Canada, pass the time in the restaurant's Victorian interior, with its rich woods and stained glass. "They're trapped here until the ferry comes, but we try to make the wait enjoyable for them," says Nagler.

—*Jennifer Batty*

Pizza-box revolution

In the name of convenience and environmentalism, the traditional cardboard pizza-delivery box is changing in shape, substance and even function.

Domino's Pizza has gone octagonal, shaving the corners off the standard pizza box to save materials and money. Pizza Hut is using recycled cardboard for its boxes and looking for ways to reduce its container's weight without lessening its stability.

But perhaps the most imaginative pizza-box innovation is by Eric Crockett of Toledo, Ohio. Crockett has added tear-away perforations to the pizza-box lid, enabling the customer to convert the lid into four

serving "plates." The box's side flaps form a rim for the plates that can be held by inserting the thumb and index finger through holes. And, of course, these throwaway pizza plates require no washing.

—Wall Street Journal

Hotel 2020

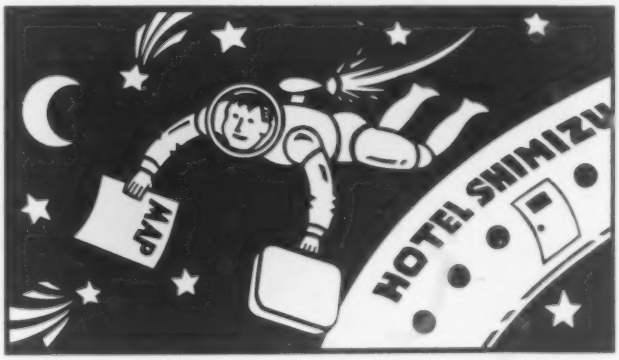
One day in the not-too-distant future, the ultimate family vacation may require much more than a station wagon, a road map and tickets to Disneyland. Travelers of the future may need a space shuttle and maps of the moon.

Japan's Shimizu Corporation has already outlined its plans to build the first hotel in space by the year 2020. The hotel would house up to 64 guests and include modern amenities such as toilets, showers, desks and liquid-screen television monitors—as well as the special treat of a window looking down on planet Earth.

Shimizu has had engineers investigating such a project since 1987. Hotel rooms would be built on the rim of a giant 462-foot-diameter wheel, rotating through space in order to generate gravity for the guests. The 7,500 tons of raw materials needed to build the structure would come from the moon.

Travelers to the hotel could expect to pay an out-of-this-world $45,000 for a visit.

—Washington Times



Flexible soul

Traditional American "soul food" is hard to define, but it encompasses the myriad dishes that have evolved from the kitchens of black Americans for hundreds of years: quickbreads, collard greens, Hop'n John and hominy grits, for example.

Although many soul-food dishes have traditionally been prepared with fatty meats and lots of salt, today's soul-food fans are finding that properly prepared soul food can be both comforting and nutritious.

For example, quickbreads are a good source of complex carbohydrates, and collard greens contain hefty amounts of vitamins A and C, folic acid and calcium. The hearty yam, too, is an excellent source of vitamin A. In addition, soul food's flexible nature makes it easy to use lean cuts instead of fatty meats and to replace salt with a dash of lemon instead.

—Diabetes Forecast

Service, please

It's not surprising, but efficient service is what frequent business travelers appreciate most when it comes to hotels, airlines and rental-car companies.

A survey conducted by Opinion Research Corporation polled 400 executives about their most important travel concerns. With regard to hotels, preparing an accurate bill was deemed most important (mentioned by nine out of 10 respondents). For airlines, on-time arrival was the concern mentioned the most (89 percent).

Other important hotel desires mentioned by more than 75 percent of respondents were efficient check-in, reliable message and wake-up service, and caring about customers.

Participants in the study were true business-travel experts, with the average respondent having logged 45 days of business travel in the past year, including 34 nights in hotels.

—Cornell Quarterly

Symphonic slices

As principal clarinetist for the Dallas Symphony, Stephen Girko produces notes for a living. In his spare time, however, it's his pizzas that help him earn applause.

Girko began a sideline catering business known as Eat My Pizza! in June of 1989 that combines Girko's clarinet-playing with pizza-making in an aural and culinary feast. Girko prepares gourmet pizzas for his clients (most of whom are symphony regulars) using homegrown tomatoes, Italian sausage, pepperoni and plenty of mozzarella. And for dessert? It's *musique a la mode:* a clarinet recital by the chef himself.

—Entrepreneur

Get answers to your legal questions... before they become legal problems

Order the newly revised 1991 *Legal Problem Solver* for the most current information on tip reporting, minimum wage, teen employment, taxes and more.

To order, call the National Restaurant Association at (800) 424-5156 or (202) 331-5960. The book is $34.95 for association members, $44.95 for nonmembers. Ask for publication MG410.